



Daily Report

China

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Daily Report

China

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Foreign Ministry Holds Weekly News Briefing

Speaks on Cambodia

OW2504083091 Beijing XINHUA in English
0814 GMT 25 Apr 91

[Text] Beijing, April 25 (XINHUA)—China supports the co-chairmen of the Paris International Conference to have a meeting in mid-May with the Cambodian Supreme National Council in Jakarta, said a spokesman of the Chinese Foreign Affairs Ministry here this afternoon.

He said China has noted the joint declaration by French and Indonesian foreign ministers, co-chairmen of the Paris Conference, and the secretary-general of the United Nations issued on April 22.

It is reported that the declaration appealed to all sides in the Cambodia colition to cease fire so as to create a favorable atmosphere for the meeting in Jakarta.

The spokesman said China hopes that the conflicting parties of Cambodia will take a cooperative attitude to make the meeting a success in order to create conditions for an early resumption of the Paris International Conference on the issue of Cambodia and work out an international agreement for a comprehensive settlement of the Cambodia issue.

Supports U.S. Hanoi Initiative

HK2504044291 Hong Kong AFP in English
0430 GMT 25 Apr 91

[Text] Beijing, April 25 (AFP)—China hopes that a U.S. initiative towards normalising ties with Hanoi will lead to peace in Cambodia, the foreign ministry said Thursday.

A ministry spokesman raised the possibility of normalisation of ties between Vietnam and the United States following Washington's announcement Saturday that it would open an office in Hanoi to resolve the issue of U.S. soldiers still listed as missing in action following the Vietnam War.

"The U.S. government has proposed a four-stage formula for the normalisation of American-Vietnamese relations," he said without directly mentioning the U.S. initiative to open the office, its first official representation in Vietnam since the defeat by Hanoi in 1975 of the U.S.-backed government in the south.

"We hope that the efforts made by the U.S. side will help push the Vietnamese and the Phnom Penh side to accept as soon as possible the framework documents adopted by the five permanent members of the U.N. Security Council" for peace in Cambodia.

The five permanent members are Britain, China, France, the Soviet Union and the United States.

Washington has presented several conditions for normalising ties with Vietnam in particular that Hanoi accept the United Nations-brokered peace plan for Cambodia.

Beijing, which supports the Khmer Rouge, the largest faction within an uneasy three party guerrilla coalition fighting the Hanoi-backed government in Cambodia, has regularly blamed Vietnam and Phnom Penh for blocking the peace process.

Under the terms of the peace plan the U.N. would have wide powers to administer the country and disarm the four factions prior to elections.

Slams MFN, Human Rights Link

HK2504111091 Hong Kong AFP in English
1045 GMT 25 Apr 91

[Text] Beijing, April 25 (AFP)—China warned the United States Thursday that linking human rights with preferential tariff status would harm bilateral relations.

"Obviously it would harm the development of bilateral relations to take the issue of human rights as a condition of most favored nation (MFN) status," Foreign Ministry spokesman Wu Jianmin said.

"It would be detrimental to the Chinese people and it would be detrimental to the American people," he told a news conference.

The U.S. State Department said last Friday that reports that China was using prisoners to make cheap exports would be among the factors Washington considered in renewing the country's MFN status.

Members of the U.S. Congress have been lobbying for suspension of MFN status to protest China's alleged human rights violations.

Another factor is China's widening trade surplus with the United States.

Chinese Premier Li Peng has called MFN a "cornerstone" in Sino-U.S. relations and has said its suspension could harm ties.

"It is obvious that China and the United States have different views on the issue of human rights because they have different conditions, historical backgrounds and social values," Mr. Wu said.

The spokesman also defended Chinese efforts to enforce copyrights and said further U.S. action would damage relations.

China had a policy of supporting and protecting intellectual property rights and would put into force a new copyright law on June 1, he said.

It would be "unreasonable" to put China on the list of countries under observation for unfair trading practices and "would prejudice the development of the relations between the two countries," the spokesman said.

The United States has accused Chinese companies of violating copyrights, particularly those for computer software. Washington was expected to decide Friday whether to launch a detailed investigation of the problem.

May 'Adversely' Affect Ties

HK2504120291 Beijing XINHUA in English
1137 GMT 25 Apr 91

["Chinese Foreign Ministry Spokesman on Sino-American Relations"—XINHUA headline]

[Text] Beijing, April 25 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that if the United States rescinds its most-favored-nations [MFN] status to China, Sino-American relations will suffer a great retrogression and the development of U.S. economic relations and trade with other regions in Asia will also be adversely affected.

The spokesman made these remarks at a weekly press conference here this afternoon.

On the question of human rights, the spokesman said that China and the United States obviously have different views on the issue, as they have different social systems, historical backgrounds and values.

He said that if the U.S. takes the issue of human rights as a condition for its relations with China, the resulting situation will obviously be unfavorable to the development of bilateral relations.

"This will not be advantageous either to the Chinese people or to the American people," the spokesman said.

Cites U.S. Copyright Charges

OW2504121891 Beijing XINHUA in English
1136 GMT 25 Apr 91

[Text] Beijing, April 25 (XINHUA)—A spokesman for the Chinese Foreign Ministry said here today that if the United States still puts China on the "priority list" of copyright violators, it would be "unreasonable and detrimental to the development of Sino-U.S. economic relations and trade."

The spokesman made this statement at a weekly news briefing here this afternoon when asked to comment on the U.S. accusation that some of China's companies have violated its copyright convention, and on the U.S. move to start an investigation into this matter tomorrow.

The spokesman said that the Chinese Government adopts the policies of supporting and protecting intellectual property rights, adding that "this is to meet the need of China's reform and open policy. This is also in the interest of the country itself."

He said that in the past decade, China has done a lot to protect intellectual property rights. Its patent law has been implemented for several years and its copyright law

will come into force from June 1 this year. The copyright law contains special stipulations on the protection of computer software, he said.

These laws and stipulations have been playing a good role in protecting intellectual property rights, and promoting the scientific and technological progress and prosperity of China's culture and arts, the spokesman said.

"China takes a positive attitude towards the protection of intellectual property rights," he said.

Announces Li Peng's DPRK Visit

OW2504073491 Beijing XINHUA in English
0718 GMT 25 Apr 91

[Text] Beijing, April 25 (XINHUA)—Chinese Premier Li Peng will pay an official goodwill visit to the Democratic People's Republic of Korea (DPRK) from May 3 to 6, at the invitation of DPRK Premier of the Administration Council Yon Hyong-muk, a Chinese Foreign Ministry spokesman announced here today.

Qian Qichen Advocates UN Peace-Keeping Role

OW2404185091 Beijing XINHUA Domestic Service
in Chinese 1501 GMT 24 Apr 91

[By reporter Yang Zidi (2799 1311 6611)]

[Text] Beijing, 24 Apr (XINHUA)—Speaking at an international seminar here today, Qian Qichen, state councillor and concurrently minister of foreign affairs, stated: During the transitional period between the disintegration of the old global structure and the formation of a new one, it is of great practical significance to further strengthen the role of the United Nations and increase its peace-keeping operation.

A seminar on UN peace-keeping operations, which is being sponsored by the UN International Peace Institute, opened in Beijing today.

Qian Qichen said: UN peace-keeping operations, as an effective means of the international community to avert and facilitate the solution of international disputes, have played a constructive role and accumulated crucial experiences in averting chaos caused by war and restoring peace and stability in various regions over the years. The role and merit of the United Nations in this aspect has also been increasingly recognized by the people of the world.

He said: China, as a permanent member of the Security Council, has attached great importance to and supported the prominent role played by the United Nations in international affairs. In the spirit of contributing more to the fulfillment of the UN peace mission, China has step by step taken part in UN peace-keeping activities in recent years. For example, China sent election superintendents to the assistance group in Namibia during its

transitional period and military observers to the organization to supervise ceasefire in the Middle East, and will send personnel to join UN observation teams stationed in Iraq and Kuwait.

Qian Qichen also expounded the establishment of a just and reasonable new international order. According to him, the new order should include the following components: the guarantee that all countries are members of the international community, who are independent and based on equal footing; the right of all countries to choose their own social system, ideology, economic style, and development path; mutual respect to each other's sovereignty and territorial integrity, nonaggression, and noninterference in each other's internal affairs among all countries; the commitment to peacefully settle international disputes through consultation and dialogue and to oppose the use of force or threat to use of force; and the effort to promote just, reasonable, and mutually beneficial economic and technological cooperation on an equal basis, and trade and economic exchange of equal value between countries, in a bid to seek common development.

O. A. Otunnu [name as received], director of the International Peace Institute, presided over the opening ceremony today. Topics to be discussed during the three-day seminar include "Prospects of UN Operations in Cambodia" and "UN Collective Security System: Lessons from the Gulf Crisis."

China Joins UN's Iraq-Kuwait Observer Mission

OW2504100391 Beijing XINHUA in English
2355 GMT 24 Apr 91

[Text] United Nations, April 24 (XINHUA)—The U.N. Iraq-Kuwait Observation Mission (UNIKOM) officially took over three observation posts in the northern sector of the demilitarized zone along the Iraqi-Kuwaiti border today, according to a U.N. spokesman.

Fred Eckhard, spokesman for the president of the U.N. General Assembly, told reporters at the noon briefing today that a flag-raising ceremony was held at one of the sites shortly before noon local time.

The total strength of the mission stood at 110 yesterday and the rest of the 300 members of the mission are reported to be arriving in significant numbers, he added.

UNIKOM, established under Security Council Resolution 687 on April 9, has 300 military observers, a field engineer unit, an air unit, a logistic unit, a headquarters unit and five infantry companies.

The 300 military observers are from 33 countries: Argentina, Austria, Bangladesh, Britain, Canada, China, Denmark, Fiji, Finland, France, Ghana, Greece, Hungary, India, Indonesia, Ireland, Italy, Kenya, Malaysia, Nigeria, Norway, Pakistan, Poland, Romania, Senegal, Singapore, Sweden, Thailand, Turkey, the Soviet Union, the United States, Uruguay and Venezuela.

Of the five infantry companies, two are on loan from the U.N. Peace-Keeping Force in Cyprus (UNFICYP) and three from the U.N. Interim Force in Lebanon (UNIFIL) plus troops from Fiji, Ghana, Nepal, Norway and Sweden.

Eckhard said the infantry units from UNIFIL and UNFICYP are travelling overland in large convoys and are expected to arrive at the area today through Friday.

UNIKOM will monitor a 200-kilometer-long demilitarized zone along the Iraqi-Kuwaiti border and the 40-kilometer Khor Abdullah, deter violations of the Iraqi-Kuwaiti boundary agreed on in 1963 and observe any hostile or potentially hostile mounted [as received] from the territory of one state to the other.

Mixed Reactions Follow Deployments in Iraq

UK Marines Enter Iraq

OW2504095391 Beijing XINHUA in English
0109 GMT 25 Apr 91

[Text] London, April 24 (XINHUA)—British Defence Secretary Tom King today called on Iraq to remove its forces from the northern Iraqi town of Zakho and threatened Britain would not tolerate obstruction of a safe-haven plan for the Kurds.

Speaking at a news conference, Tom King said the lives of thousands of Kurdish refugees depended on Iraq pulling its forces from the area around Zakho, where Britain, the United States and their allies are trying to set up camps for the homeless Kurds.

"If there are obstacles, they will have to be resolved and resolved very quickly. These points must be made very clear to those who might be seeking to obstruct us," King said.

Now more than 300 British Marines have moved into the Iraqi town of Zakho to "clear out" Iraqi security forces there.

Cuba Condemns as 'Open Aggression'

OW2404000991 Beijing XINHUA in English
2334 GMT 23 Apr 91

[Text] Havana, April 22 (XINHUA)—Cuba said on Monday that the sending of U.S., British and French troops to northern Iraq was an "open aggression against a destroyed and defeated country."

A statement by the Cuban Foreign Ministry condemned the April 17 announcement by U.S. President George Bush on sending 17,000 allied troops to establish "security zones" for Kurdish refugees.

Hundreds of thousands of Kurds have reportedly fled to Iran and Turkey after the Iraqi Government crushed a Kurdish rebellion in March. The allied troops are ordered to supply food, medicine and other humanitarian aid to the Kurds in northern Iraq.

Calling on Baghdad to "respect the rights of the Kurds and other local nationalities," the Cuban statement charged that humanitarian aid was taken as a pretext to illegally occupy the territory of a sovereign and independent state.

It said that the allies' decision violated the United Nations Charter and international law, since their objective was to dismember the Arab state, and later wipe it off the map.

Reports, Comments on Baker's Mideast Visits

Meets Assad 23 Apr

OW2404003791 Beijing XINHUA in English
0012 GMT 24 Apr 91

[Text] Damascus, April 23 (XINHUA)—Visiting U.S. Secretary of State James Baker held lengthy talks with Syrian President Hafiz al-Asad here today, completing a round of his third shuttle-diplomacy without a clear-cut prospect for holding a Middle East peace conference.

Baker and al-Asad have met for more than six hours that stretched into the evening.

In his telephone call today to Israeli Prime Minister Yitzhaq Shamir, Baker informed him that he would fly from Damascus to Moscow before returning to Israel on Thursday night instead of tonight as planned. Baker's spokeswoman told reporters before the Baker-Asad meeting.

Syria, one of the main Arab frontline nations confronting Israel, has made it clear repeatedly that peace in the Middle East can not be realized unless Israel agrees to return the Arab territories it captured in the 1967 Mideast war.

Baker was greeted on his arrival here on Monday by a tough-worded official editorial which said "without a clear-cut U.S. position and strong commitment toward peace, Israel's aggressive and expansionist policy will not come to an end."

Syria wants to be sure that the outcome of the U.S.-initiated regional peace conference will include the return of the Golan Heights to Syria.

However, Israel prefers that such a regional conference will lead only to direct talks with each neighboring Arab state and Palestinians in the West Bank and Gaza Strip.

According to diplomatic sources here, President Asad today received an "urgent message" from Egyptian President Hosni Mubarak handed over by Mubarak's chief political advisor Usama el-Baz.

Mubarak wants to coordinate his stance with Asad, and Egypt has openly supported Baker's idea of holding a regional peace conference even though the format and agenda remain unclear.

Holds News Conference 24 Apr

OW2504055791 Beijing XINHUA in English
1802 GMT 24 Apr 91

[Text] Damascus, April 24 (XINHUA)—U.S. Secretary of State James Baker said today that his latest talks with Middle East leaders have been "constructive," but there is yet no assurance for peace, nor has a framework for formal negotiations been set.

"We are working through the issues in a constructive way and that might connote progress," Baker said at a news conference shortly before departing Syria for the Soviet Union.

Baker, who is on his third Middle East tour in six weeks, in an attempt to arrange a peace conference to find a solution to the decades-old Arab-Israeli conflict, said he would not be spending so much time in the region if he did not see signs of progress.

"I do see evidence of a new approach and a new willingness in the aftermath of the Gulf conflict to address these intractable issues in a serious and determined fashion," said Baker. "I really do see that. Let me say if I didn't see that I don't think I would be out here."

He returns to the region Thursday for talks Friday with Israeli leaders and will be returning to Washington over the weekend "at least for a short period of time." He hinted that he could possibly travel to the Middle East again.

Asked if he would say all Arab and Israeli leaders were prepared to hold peace talks as a result of his discussions with them, Baker said, "I can't say that yet. I certainly hope so."

Later he said a peace conference "might be held" and reiterated that "we agreed to continue these discussions."

As an example of the "intractable issues" he referred to, Baker condemned anew the erection of new Israeli settlements in the Arab territories it seized during the 1967 Middle East War.

"We were very disappointed to hear this morning there is yet another new settlement," he said. "That points up very visibly: It is easier to obstruct peace than to promote peace."

Baker, who held a nine-and-a-half hour meeting with President Hafiz Al-Asad Tuesday, earlier described the talks as "a very useful discussion" but refused to predict whether the Syrian leader is ready to negotiate with Israel.

Meanwhile, Baker is waiting to see if Israeli decision-makers would agree to terms acceptable to Arabs in the peace talks.

The Arab countries want a U.N.-sponsored peace conference based on the "land for peace" principle called for by U.N. Security Council Resolutions 242 and 338.

Israel has ruled out a U.N. role in the peace talks and has refused to give up the occupied lands.

Syrian Foreign Minister Faruq Al-Shar' said today that "of course we will attend a peace conference," but that such a conference must involve the United Nations, the European Community (EC), and all parties concerned including Palestinians.

Al-Shar' asserted that Syria is committed to ensuring the national rights of the Palestinian people, regardless of the existing differences between Syria and the Palestine Liberation Organization.

Asked whether Syria would be satisfied with giving the U.N. an observer role, Al-Shar' said, "the U.N. should be in the peace conference. It should play an important role in this conference. We are still discussing the nature of this role."

Baker later flew to the Black Sea area for a meeting with Soviet Foreign Minister Aleksandr A. Bessmertnykh about co-sponsoring the projected peace conference.

Speculations go that Baker will ask Bessmertnykh for the restoration of diplomatic relations between the Soviet Union and Israel, which Israeli Prime Minister Yitzhaq Shamir has conditioned for any Soviet involvement in the Middle East peace talks.

Commentary on Aims, Results

OW 2404131691 Beijing Domestic Service
in Mandarin 0430 GMT 24 Apr 91

[*"Commentary: Why Did Baker Make Three Trips to the Middle East? (By Chu Shan)"—from the "International News and Current Events" program*]

[Text] Of late, the frequent U.S. diplomatic activities in connection with the Middle East issue have attracted universal attention. Excluding President Bush's meeting separately with the heads of state or government of Western countries, Secretary of State Baker is probably the busiest person among the important figures of the White House. In more than 30 days Baker made three trips to the Middle East, shuttling between Washington and various countries of the Middle East. The journey was no doubt very tiring.

As soon as the Gulf war ended, Bush presented a U.S. four-point plan for the Middle East: making new arrangements for the region; carrying out arms control; solving the disputes between Israel and the Arab countries as well as between Israel and the Palestinians; and promoting regional economic cooperation. It is obvious that Baker went to the Middle East on instructions by Bush to realize the plan.

On 8 March Baker began his first Middle East trip after the Gulf war. He visited Saudi Arabia, Kuwait, Egypt, Israel, Syria, and Turkey and held a series of talks with the leaders of these countries, as well as with the foreign ministers of the six-nation Gulf Cooperation Council, on

the situation in the Middle East, regional security, arms control, and the Arab-Israeli conflict. In Jerusalem he also had contacts with Palestinian public figures from the occupied territories.

According to foreign media sources, the main objective of this trip was to listen to the views of various countries in the Middle East on the U.S. plan of post-war arrangements for the Gulf, explore their reactions, and try to persuade them to support the United States, so that a specific program basically acceptable to all sides in the Middle East can be worked out quickly on the basis of the U.S. general plan of post-war arrangements.

From 7 to 12 April Baker made another trip to the Middle East to carry out a diplomatic mission. He visited Turkey, Israel, Egypt, Syria, and other countries. He held talks with the foreign ministers of Saudi Arabia and Jordan and again met with representatives of the Palestinians in the occupied territories.

During his trip he specifically discussed with all parties concerned the Kurdish refugee crisis and the question of the Arab-Israeli dispute. Not long after the Gulf war, various national contradictions and the struggle among various religious sects, which have long existed in Iraq, were rekindled. Fierce fighting broke out between the troops of the Iraqi Government and the Kurds in the north and the Shiite Muslims in the south. At the beginning the United States called on the people and soldiers in Iraq to rise against and topple the Saddam regime. As the turmoil intensified, the United States noticed that Iraq was faced with the danger of being dismembered or turned into another Lebanon. As a result, the United States quickly adjusted its policy and proclaimed that the objective of the United States was only the liberation of Kuwait, that as to the question of who should rule Iraq, it should be decided by the people of Iraq, and that the United States would not be the arbitrator.

The change of the U.S. policy enabled Saddam to bring the situation under control, but the problem arising from this change of policy is that hundreds of thousands of Kurdish refugees were fleeing Iraq to areas bordering Turkey and Iran. The question of refugees attracted the attention of the public in the United States, Western Europe, and Middle East countries. Some people said critically: The United States incited the Iraqi people to rise in rebellion, but now it is watching them die with folded arms. Where is the sense of justice and fairness that the United States had publicized when it made war against Iraq? The result of a poll has shown that U.S. public support for Bush has dropped conspicuously. To allay resentment at home and abroad, Baker was compelled to hold an emergency consultation with all parties in the Middle East, especially the Turkish Government. He also made an inspection tour of the Turkish and Iranian border areas and discussed countermeasures with all sides concerned. Baker said that the United States will cooperate with the international community

in providing humanitarian aid to Iraqi refugees in accordance with Resolution 688 of the Security Council.

The second issue outside the refugee problem is how to break the stalemate in the Arab-Israeli issue by holding a Middle East regional peace conference. According to reports, in making his second Middle East trip, Baker carried with him a specific program for holding such a conference. The program is as follows: The conference is to be sponsored by the United States and the Soviet Union, at which double-track negotiations should be carried out as soon as possible. Double-track negotiations mean that separate negotiations should be held between all relevant Arab countries and Israel and between Israel and Palestine. Both sides should proceed to establish measures to promote trust and conclude peace agreements.

Only Israel has indicated that it accepts the program in principle. Reaction from the Arab countries differed. The majority of them adopted a flexible approach by saying that discussion is possible. Some countries also adopted a prudent positive stand, but others expressed reservations or even criticized the program. Diplomatic figures of some Arab countries pointed out that because double-track negotiations are demanded by Israel and are a program put forward by Baker and formulated with the participation of Israeli leaders, it is in Israel's favor. Some analysts held that proceeding from its own interests and in accordance with its post-war arrangement, the United States had no choice but to consider appropriately the demand of the Arab countries for forcing Israel to accept the program of trading territory for peace, but the United States is still clearly biased toward Israel. Some people said that, in fact, the United States hopes to split, through concluding a direct peace agreement between Israel and the Arab countries, the Palestinians and then force them to make concessions. Some people also said critically that holding a regional peace conference will detach the Middle East issue from the framework of the United Nations and will result in separating the solution of the Palestinian problem from solution of the Israeli-Arab conflict. Some figures of the PLO held that the U.S. program is a conspiracy to veto the rights of the Palestinians.

Baker returned to Washington to make a report on the reactions of all sides concerned. Four days later, on 16 April, he again returned to the Middle East. According to reports, the purpose of this trip by Baker is to discuss further with all sides the details of a Middle East regional peace conference as the attitude of Israel and the Arab countries has become somewhat more flexible. In addition, he will continue to discuss the refugee issue with all sides concerned.

Many analysts held that Baker's shuttle diplomacy is being undertaken out of the following considerations: After the Gulf war, the U.S. position in the Middle East has been strengthened, and its right to speak also has expanded. It is time to strike while the iron is hot and try to solve the Arab-Israeli dispute and other problems by

acting as a middleman, so as to eliminate the hidden danger for turmoil in the Middle East, build a new political and economic order with the United States as the dominant force, prevent the recurrence of crisis in the Middle East, and remove the threat to the U.S. economy and strategic interests.

In addition, the United States also wants to stabilize the situation as quickly as possible so that it can withdraw U.S. soldiers who are already homesick and tired of war from the Gulf and realize the post-war arrangement for the Gulf.

At present, it is hard to know whether the United States will achieve its aim of post-war arrangement, but it definitely will encounter numerous difficulties. As a spokesman of the State Department has said, the United States has much work to be done and many questions to answer. There is still a long way to go. Baker's diplomatic activities are only a ("drama.")

At present, Baker is continuing his third trip to the Middle East. What his shuttle diplomacy can achieve remains to be seen.

U.S. Cautious About Iraqi-Kurdish Agreement

OW 2504100591 Beijing XINHUA in English
0134 GMT 25 Apr 91

[Text] Washington, April 24 (XINHUA)—The Bush Administration today took a wait-and-see attitude towards a reported agreement between Iraqi Government and Kurdish rebels to end their revolt.

There was no formal reaction yet from the White House, but the ASSOCIATED PRESS quoted an anonymous U.S. official as saying that the agreement "would help facilitate the sense of security for people to return to their homes".

However, the official added that "in the long term, we remain skeptical because Saddam Husayn's track record has not been very good. He's shown a number of times that he's made a number of verbal promises, only to break those promises."

"We have to get more details," the official was quoted as saying.

Earlier today, President George Bush called "serious problem" the presence of Iraqi police patrolling near the camps set up in northern Iraq by the U.S. and allies' forces to shelter Kurdish refugees who fled homes after their revolts were crushed.

"It's a serious problem but we're—I think we're getting it under control," Bush said.

Asked about whether a deadline should be set for all Iraqi troops to leave the protected area, Bush said "we're working on the problem. I'll have a little more to say about it later."

Bush's remarks came amid reports that the refugees were unwilling to settle in the newly-erupted [as received] camps for fear of the Iraqi forces and British forces have issued 48-hour ultimatum for them to leave.

U.S. May Airlift Supplies to Iraqi Refugees

OW2404005791 Beijing XINHUA in English
0016 GMT 24 Apr 91

[Text] Washington, April 23 (XINHUA)—The United States may airlift to Iran relief supplies such as tents and medicine to assist the estimated one million Iraqi refugees stranded there, the U.S. Government said today.

At the White House daily briefing, presidential spokesman Marlin Fitzwater said that "we've said we would be willing to help (Iran) and we certainly can provide tents and blankets and medicine and so forth, and we would intend to do that."

Asked if Iran has agreed for American aircraft carrying relief supplies to fly into its space, Fitzwater said "I don't know about that specific aircraft component but we have talked to Iran through the Swiss, offered our support and they have agreed and we will be providing that material."

However he said that the time for the first shipment has not been decided.

Meanwhile, Pentagon spokesman Pete Williams said "right now we are looking at the list of supplies which the Iranians have said they would like to have and studying the best way to continue to supply those refugees."

The Bush Administration has been partly blamed for Iraq's refugee problem which stemmed from the abortive revolts against Saddam Husayn by Iraqi Kurds and Shiites. Critics said that while President George Bush encouraged the rebellions, he stood by when they were crushed by overwhelming government troops.

The Administration has launched a massive relief operation to aid Iraqi refugees fleeing into Turkey, but was hesitant in providing assistance to those in Iran because diplomatic relations between Washington and Tehran have been severed since 1979.

Fitzwater estimated that there were 450,000 Iraqi refugees in Turkey and 400,000 at the Turkish-Iraqi border, one million in Iran and another half million at Iranian-Iraqi border.

He said that "it appears that the refugees flow into Turkey has largely ceased" after U.S. troops went into northern Iraq to set up refugee camps.

Reactions to Japan's Dispatch of Minesweepers

'Roundup' on Decision

OW2404171491 Beijing XINHUA in English
1456 GMT 24 apr 91

["Roundup: Japan's Minesweeper-Dispatching Decision Remains Controversial (by Zhu Ronggen)"—XINHUA headline]

[Text] Tokyo, April 24 (XINHUA)—Although banned by the nation's constitution, the Japanese Government officially decided Wednesday evening to send its Maritime Self-Defense Force (SDF) [MSDF] minesweepers to the Gulf. However, opposition parties in the country see the policy decision in a different light.

A Japanese squadron of six ships, including four minesweepers and 500 sailors of the MSDF's minesweeper fleet have been ordered to leave Japan for the Gulf on Friday "to help remove mines planted by Iraq during the Gulf war."

"For Japan, which is asked to fulfill large responsibilities in international society, I think it is widely understood that we have to make personnel contributions as well as financial ones, Kaifu told reporters.

Earlier, the prime minister told the leaders of the opposition parties that sending the ships is necessary, as the nation must contribute as much as it can to the post-war reconstruction of the Gulf region.

Besides, he added, safe shipping is vital for Japan, a nation dependent on the Middle East for 70 percent of its crude oil imports.

Citing Article 99 of the SDF Law, Kaifu said sending minesweepers to the Gulf would not amount to sending military units with the aim of using force.

However, Kaifu's argument has triggered a storm of criticism from leaders of the nation's three major opposition parties.

They said that the government is trying to broaden the interpretation of the SDF Law and expressed the fear that the move might eventually result in an expansion of the MSDF's mandate.

Analysts here pointed out that the government's action, taken without any official request by any foreign country or international organization, marks the first step towards sending the MSDF overseas.

Takado Doi, chairwoman of the Social Democratic Party of Japan, said that former governments have repeatedly told the Diet (parliament) that the SDF cannot be sent abroad in accordance with the constitution.

Japan's constitution, adopted after World War II, stipulates that the nation can only have a military force with

an exclusively defensive role, and it cannot deploy this force in areas outside Japanese sovereignty.

Doi, the leader of Japan's largest opposition party, asked the government to present a written document explaining the legal grounds for such an unprecedented dispatch.

Koshiro Ishida, chairman of Komeito, the second-largest opposition party, said that the Diet showed its disapproval of dispatching the SDF in any form when it scrapped the United Nations peace cooperation bill last fall.

He argued that Article 99 of the SDF Law can only be applied to minesweeping the seas off Japan and not to activities in an area more than 13,000 kilometers away from the island nation.

The government should discuss what the real purpose of the SDF is and how the nation should contribute to the international community before sending its forces abroad on a case-by-case basis, Ishida added.

The six MSDF ships, expected to weigh anchor from three different naval bases, will meet off Amami Oshima Island to form a fleet and will make ports of call in the Philippines, Singapore, Malaysia, Sri Lanka and Pakistan. It may take 30 to 40 days before the fleet reaches its destination.

Tetsuzo Fuwa, chairman of the Japanese Communist Party, argued that the SDF missions should be strictly limited to safeguarding Japanese territory.

The leader of the third-largest opposition party added that his party would totally oppose the dispatch because it violates not only the Japanese Constitution, but also the SDF Law.

Meanwhile, a survey conducted by the MAINICHI SHIMBUN, one of Japan's major newspapers, showed that there has been a great deal of anxiety among the Japanese public about the government's decision.

According to local reports, five of the 500 members of the minesweeper fleet named for the assignment in the Gulf have refused to participate.

It is also reported that anti-war activists formed a flotilla of rubber dinghies in a demonstration at the western port of Kure on Wednesday, protesting against the government's move.

In sharp contrast, very few opposition parties and businessmen have backed the government's decision.

Keigo Ouchi, chairman of the Democratic Socialist Party, described the government move as a "natural decision," saying that sea-lanes must be cleared of any danger from mines now that the Gulf war is over.

But Ouchi, the leader of the fourth-largest opposition party, demanded the government adopt measures to restrict such dispatches in the future.

Japanese Opposition Objects

OW2504010391 Beijing XINHUA in English
2336 GMT 24 Apr 91

[Text] Tokyo, April 24 (XINHUA)—Four major Japanese opposition parties blasted today a government decision to send a fleet of four minesweepers of the country's Maritime Self-Defense Force (MSDF) to the Gulf waters.

Tsuruo Yamaguchi, the secretary general of the Social Democratic Party (SDP), charged in a statement that the government "trampled upon the spirit of the constitution by ramming through such a crucial decision without thorough parliamentary debate and public endorsement."

The leader of the largest opposition party said the decision represents a fundamental departure from the post-war Japanese administrations' long-standing policy of using the Self-Defense Force (SDF) solely for the defense of the country against possible military attacks from outside forces.

Yuichi Ichikawa, the Komeito secretary, alleged that the decision will "exert a disastrous effect on the future of this country," adding that national consensus has not yet been built regarding the government proposal to dispatch and deploy the Self-Defense Force overseas for international cooperation.

Kazuo Shii [name as received], the Communist Party's Secretariat chief, said in a statement that "under any pretext, deploying the Self-Defense Force overseas in any form directly contradicts the constitution's peace-ensuring principles."

Meanwhile, Shogo Abe, the general secretary of the United Social Democratic Party, also condemned the government for "forcing through the decision by circumventing constitutionally-mandated legislative procedures calling for a vote by the legislature."

The only opposition party supporting the government's decision is the Democratic Socialist Party, which issued a statement saying that "the government decision serves two objectives of enduring the safe navigation of ships in the Gulf waters and of contributing to the common interests of the world community."

However, it also demanded that the government enforce the decision after imposing tough restraints on such actions to ease public fears that sdf deployments will happen repeatedly.

Japanese, ROK Foreign Ministers Meet in Tokyo

OW2504025091 Beijing XINHUA in English
1606 GMT 24 Apr 91

[Text] Tokyo, April 24 (XINHUA)—Japanese Foreign Minister Taro Nakayama and his South Korean counterpart Yi Sang-ok held talks here Wednesday evening to coordinate their positions on the Soviet Union.

Referring to the Soviet proposal for the setup of a multilateral security mechanism in the Asian-Pacific region, the two ministers agreed that the priority at present is to solve conflicts and confrontations in that area, the KYODO NEWS SERVICE reported.

On the Soviet proposal for a Soviet-South Korean friendship and cooperation treaty, Yi said South Korea will study the initiative and discuss with Japan and the United States before making final decision.

Paper Views West Bank Jewish Settlements

HK2404144391 Beijing RENMIN RIBAO
in Chinese 23 Apr 91 p 6

["News Analysis" by staff reporter Zhang Qixin (1728 0796 2500): "Why Does New 'Residential Settlement' Lead to 'Political Storm'?"]

[Text] Washington, 20 Apr (RENMIN RIBAO)—On the night of 16 April, when U.S. Secretary of State James Baker was starting his third visit to the Middle East, in a place called (Reyvava) [lei wa wa 7191 3907 3907] on the Israeli-occupied West Bank of Jordan River, a new Jewish "settlement" suddenly appeared. Though this new "settlement" only has 14 movable residences, it is nevertheless a "masterpiece" created by Israeli hardliners.

On 16 April, two days before Baker's arrival, Israel bulldozed a plot of sandy and rocky land overnight, installed electric lights there, and put up residential houses. New residents immediately moved into these movable houses. This was a small gesture made by Israel after it had claimed for some time that it would continue to expand Jewish settlements in the West Bank and Gaza Strip. Though an apparently abrupt act, it showed a clear intention. No wonder the U.S. media, when commenting on this incident, dubbed it a "political storm" stirred up by Israel.

The Arab countries have always been against Israeli expansion of Jewish "settlements" in the West Bank and Gaza Strip. At present, this is also a problem that causes discord between the United States and Israel. After the Gulf war, the peace issue in the Middle East has become all the more prominent. The Arab countries are hoping for an early, just, and comprehensive solution to this problem. The United States, out of consideration for its strategic interests, also is trying to help bring about a settlement of the Arab-Israeli conflict by taking advantage of the current opportunity. For this reason, Baker, travel-worn and weary, embarked on his third visit to the Middle East for diplomatic mediation. Recently, the U.S. side has repeatedly urged Israel to show restraint and stop expanding settlements in its occupied territories. But the U.S. request has met with repeated resistance from Israeli hardliners. Israeli Minister of Construction and Housing Sharon, known for his hardline stance, announced recently that his ministry planned to build 13,000 residential houses for Jewish people in the West Bank area in the coming two years. This pace of expansion would exceed the rate of progress in the

construction of settlements in recent years by over five times. Should this plan come true, the Israeli population in the West Bank settlements would increase from the current 200,000 to 250,000. Sharon claimed that his plan was but in the spirit of the Israeli government's order and had been approved by the prime minister, which was not denied, according to some sources, by the Prime Minister Shamir.

It was obviously to tell Baker something that certain people in Israel made this move on the eve of his visit. More importantly, it reflects Israel's rigid stand of holding on to its occupied territories. The purpose of it is to provoke a new dispute and obstruct the Middle East peace process; it has also made the current U.S. diplomatic efforts in the Middle East more difficult. This was the very thing that annoyed the United States.

The U.S. Government once pointed out to Israel that expanding Jewish settlements in the West Bank would pose "an obstacle to the peace process." Baker kept trying to put this message across when he was meeting Shamir. But only expressing such a stand does not seem to help the matter. Israel not only spread the word that it had the "right" to do so, but also took action. Those hardliners went even further by blatantly clamoring that their expansion of settlements was "the best way to reply to Baker."

The media here censured Israel's provocative act when commenting on the incident of the new "settlement." It seems that U.S. authorities should draw a lesson from this.

UK's Ties With Iran Tied to Hostages in Lebanon

OW2504095791 Beijing XINHUA in English
0111 GMT 25 Apr 91

[Text] London, April 24 (XINHUA)—Britain made it clear today that its three hostages in Lebanon must be released before full diplomatic relations could be established with Iran.

Asked in Parliament why London and Tehran had not exchanged ambassadors six months after restoring diplomatic links, British Foreign Office Minister Douglas Hogg said: "Once the hostages have been released, I think that ambassadors will be shortly exchanged thereafter."

Hogg said Britain believed Iran had a decisive influence over the fate of the three kidnapped Britons.

Meanwhile, Iranian Foreign Minister 'Ali Akbar Velayati who is on a two-day visit to Dublin, said today that Iran is ready to assist efforts to free 12 Western hostages including three Britons held in Lebanon. "This bothers all of us a lot," he said after talks with the Dublin government.

Britain and Iran officially restored diplomatic links last September after an 18-month break over British writer

Salman Rushdie's novel "The Satanic Verses", which many Moslems consider deliberately insulting to their religion.

United State & Canada

Survey Favors MFN Status for China

OW2504072691 Beijing XINHUA in English
0625 GMT 25 Apr 91

[Text] Hong Kong, April 25 (XINHUA)—Revoking China's most favored nation (MFN) status would cause significant to crippling losses for U.S. companies dealing with China and severely damage long term American economic interests in Hong Kong and the Chinese Mainland.

This conclusion came in a survey launched by the American Chamber of Commerce (Amcham) in Hong Kong last month among top U.S. firms dealing with China.

The survey results released here Wednesday revealed that loss of China's MFN status would cripple the U.S. firms' ability to do business with China.

The short term impact would be significant loss of annual revenue, forcing some to slash or even close down operations in Hong Kong and the Chinese Mainland, the survey results said.

The long term impact would be loss of future contracts and goodwill, respondents said.

The American business interests in the Chinese Mainland and Hong Kong would be severely harmed while their main competitors would benefit, they added.

The survey is part of preparations for Amcham's delegation to Washington on May 6, to lobby for the extension of MFN alongside other issues.

U.S. congressional debate on whether or not to renew the MFN status as well as whether conditions should be imposed if extension is granted, is expected to begin, should President George Bush support an MFN renewal in his proposal due on June 3.

Participants of the survey pledged strong support for Amcham's mission in Washington and criticized any move in the U.S. Congress to revoke China's MFN status.

The participants in Amcham's survey included leaders in the fields of manufacturing or trading of telecommunications equipment, power generating equipment, computers, electronics, garments, chemicals, and automotive products, and providing services in banking, advertising, retailing, quality control and information services.

U.S. Envoy Comments on Tibet, Human Rights

HK2504121791 Beijing ZHONGGUO XINWEN SHE
in Chinese 0851 GMT 25 Apr 91

[Report: "Ambassador Zhu Qizhen on Issues of Tibet and Human Rights"—ZHONGGUO XINWEN SHE headline]

[Text] Washington, 24 Apr (ZHONGGUO XINWEN SHE)—Chinese Ambassador to the United States Zhu Qizhen on 23 April addressed hundreds of teachers and students at James Madison University near Washington, the U.S. capital, on China's problems with Tibet and human rights.

On the Tibet issue, Ambassador Zhu pointed out that many Americans, "because of a lack of understanding of Tibet, have wrong ideas about the Tibet problem and China's relevant policies. [no closing quotation marks as received] Since the 13th century, Tibet has been part of China's inalienable territory. Most of the countries in the world, including the United States, recognize this fact. Even the Dalai Lama himself admitted this undoubted fact in 1951 when giving confirmation to relevant accords on peacefully resolving the Tibet issue. However, he later abandoned this view, preached everywhere for Tibet's independence, and was involved in motherland-splitting activities. Therefore, the Dalai Lama is not a religious personage but an exile engaged in political activities. Ambassador Zhu rebuffed the false accusations about the Chinese Government violating human rights and restricting religious freedom in Tibet with a list of facts, explaining that following the liberation, Tibet revoked serfdom and pursued democratic reform, with its people happily working and living, their living conditions continually improving, and their populations growing by leaps and bounds. The central government has adopted a policy of freedom of religion toward Tibet and, moreover, allocated huge sums of money to restore and repair monasteries, including the Potala Palace.

On the human rights issue, Ambassador Zhu pointed out that in China, the most fundamental human right is the right to survive; and the uppermost task for the Chinese Government is to resolve the eating and living problems of the 1.1 billion population, and this in itself will have ensured the basic human rights for Chinese people. China is capable of feeding 22 percent of the world's population with only 7 percent of its arable land; this very success has resolved the most important human rights issue. If turmoil occurs in a big country such as China, tens of thousands will be struck by disasters and famines and will even die. Such a situation has not been infrequent in Chinese history. Therefore, maintaining stability is of utmost importance for China; the loss of it means the loss of all basic human rights. Apart from all this, China has also been actively participating in international human rights activities and is a member and signatory of many international human rights organizations and protocols.

(Carrie) [ka li er 0595 6849 1422], president of James Madison University, and hundreds of teachers and students attended the speech. Ambassador Zhu also answered teachers' and students' questions after his speech.

Article Views State Financial Crisis in U.S.

HK2404093991 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 16, 22 Apr 91 p 29

[Article by Dai Zengyi (2071 1073 5030): "U.S. State Financial Crisis Shrouded in Economic Recession"]

[Text] Of the 50 American states, the governments of nearly 30 are facing the most serious financial crisis in 10 years. At a national meeting of the Association of Governors held in the capital, Washington, D.C., in early February, the issue of the states' financial crisis was a central topic of discussion among the governors. According to accounts of U.S. newspapers and magazines, only 21 states have a slight surplus or have managed to strike a balance in their fiscal budgets, while the other states have either small or rather serious deficits. The budget deficit of California was as high as \$9.9 billion; that of New York, \$6 billion, and that of Virginia and Massachusetts, \$2 billion each.

John Ashcroft, vice president of the U.S. Association of Governors and governor of Missouri, said: Like most states, Missouri also experienced a drastic drop in tax revenue while its expenditures were increasingly expanding. Therefore, many states were rated by the credit-assessing agency as the least credit-worthy. Governors and state congressmen universally agreed: The current economic recession and the delegation by the federal government of budget items and powers to state governments are two major causes for the state financial crisis.

One direct and profound impact of economic recession is a big slide in tax revenue and a drastic increase in the expenditures for subsidies and welfare for the unemployed. The U.S. unemployment rate rose to 6.2 percent in January, with the number of jobless increasing by 1 million over the previous year; the unemployment rate was up again in February to 6.7 percent. At the same time, expenditures for the welfare of the unemployed increased generally by 10 percent to 40 percent. According to U.S. newspapers and magazines, revenues of states whose incomes come mainly from automobile and construction industries all dropped by a wide margin.

According to American newspapers, following the Reagan administration's "new federalism," the Bush administration delegated many items of federal budget expenditures to cities and states. The so-called "delegation of powers" is, in fact, a move to "unload burdens." In its 1992 budget report, the Bush Administration allocated \$15 billion in funds to cities and states, which are to shoulder items previously included in federal expenditures. Most prominently, with the delegation of

"medical care" for the poor to states, there will be a drastic rise in the expenditures of all states. Take California for example. According to the new rules and regulations on the state-covered "medical care" spending, an additional \$230 million expenditure should be made for fiscal 1991. Experts estimated that outlays for the "medical care" item of various states will increase from \$33.6 billion in 1990 to \$66.1 billion in 1996. The proportion of such outlays in the various states' total expenditures will rise from 4 percent in 1970 to the present 15 percent and to 17 percent in 1995.

With powers delegated by the federal government to cities and states, the number of items to be shouldered by the latter is getting bigger and bigger. Apart from the laws in this respect which have been enacted in the past, as many as 50 "delegation of powers" bills are to be submitted to Congress for passage this year alone, such as the "clean air" bill and "garbage disposal" bill. "None of these will not generate a big expansion in the budget expenditures of states." Currently, according to some newspapers and magazines, many states are facing a pile of problems demanding huge funds for solution, such as dilapidated roads and bridges and overcrowded prisons. In the past, the federal government allocated large amounts of funds for solving such problems, but now it has made deep cuts in such funds or left the problems for cities and states to solve using their own funds. Many governors or persons in charge of financial institutions are complaining of hardship again and again. American newspapers and magazines said: Eighty percent of the outlays of the Bush Administration's "responsibility and power delegation program" belongs to "help-low-income-earners" programs. The financial difficulties of states are bound to be shifted onto the general public.

The state financial crisis is a reflection of the U.S. economic recession. The financial systems of various states are different from that of the federal government. With the exception of Vermont, the constitutions of the other 49 states demands a balance be achieved in financial revenue and expenditure. Therefore, when the states are financially unable to cover the spending items delegated to them by the federal government, they have either to increase taxes or reduce expenditures on other items. Because the state financial crisis has affected economic and political issues in many states, politicians in Congress and states and public opinion have made comments on it one after another.

Universally worried about their financial budgets characterized by revenue falling short of expenditures and gargantuan budget deficits, at the meeting of the Association of Governors, the governors put forth measures to increase revenue and decrease expenditures. Many governors considered cutting staff and furloughing employees to save salary expanses, slashing public services, reducing funds for education, and increasing kinds of taxes and the amount of tax to be paid. In the few

months to come, these measures, which are bound to affect the interests of the general public, are expected to be promulgated.

State financial deficits will have a direct and serious impact on the people's well-being. To make up deficits, states facing serious financial difficulties will deeply cut expenditures for schools, libraries, roads, medical insurance, and other activities. American newspapers held: Most families in the United States will thus be affected. To make up the projected \$6 billion financial deficit in this fiscal year, New York will slash its budget by \$4.5 billion, over one-fourth of which is to come from education fund cuts. In addition, about 18,000 state government functionaries will be laid off. To meet its \$1 billion financial deficit, Michigan is considering closing hospitals for retarded children and some district medical facilities. Massachusetts, Florida, and other states are ready to cut expenditures for education and medical facilities. An account said: Thirty-seven million people without medical insurance and one-fifth of the total number of children in the United States live in poverty and 600,000 child prostitutes are wandering on the streets. Moreover, several million people are out of work. The financial retrenchment introduced by the various state is bound to lead to more extensive social problems.

All states have now asked the federal government to adopt short-term measures to pull them from a financial crisis. The contradiction between the federal government and the states reflect that shifting difficulties onto each other in times of an economic recession is bound to give rise to sharp disputes between federal and state representatives and between federal and state governments. At the meeting of governors, many participants asked the federal government to provide their states with several hundred million dollars in emergency relief funds to provide relief to those out of work and with large amounts of trust funds for repairing and maintaining roads, bridges, airports, and other public transport facilities. The various states also urged Congress to stop invading sources of state financial revenues, such as cigarette, wine, and fuel taxes, and shifting large-expenditure items onto them.

The financial crisis has infused a complicated explosive factor into the struggle between the two parties at federal and state levels. When meeting with a financial crisis, more often than not, the incumbent governors will attribute it to extravagant spending or financial mismanagement by the opposition party or their predecessors. In some states, when a tax-hike bill is considered, it will often spark a fierce debate. In Congress, in order to protect the financial sources of their constituent states, some congressmen will oppose the passage of certain bills relating to the delegation of responsibility and power. Some governors (like New York's Mario Cuomo) are working hard to extricate themselves from financial crisis and create favorable conditions for their participation in the coming congressional and presidential elections. This being the case, the state financial crisis is increasingly generating more political issues.

Soviet Union

Jiang Zemin's Soviet Trip Announced

HK2504012291 Hong Kong HONGKONG STANDARD in English 25 Apr 91 p 6

[By Cheung Po-ling]

[Text] Chinese Communist Party General Secretary Jiang Zemin will visit the Soviet Union from May 15 to May 19.

Diplomatic sources in Beijing said yesterday the five-day visit at the invitation of the Soviet Communist Party would mark a significant step in closer cooperation between the communist giants.

Arrangements for Mr Jiang's visit were discussed yesterday in Moscow between officials of the Soviet and Chinese communist parties.

At the meeting were Valentin Falin, secretary of the Central Committee and director of the International Department of the Soviet party, and Li Shuzheng, alternate member of the Central Committee and deputy head of the International Liaison Department of the Chinese party, Xinhua News Agency said.

Valery Musatov, deputy director of the International Department of Soviet party Central Committee, and Yu Hongliang, Chinese ambassador to the Soviet Union, were also present.

Mr Jiang's visit, at a time when conservatism is growing in Moscow's power structure, will be the first official trip to the Soviet Union by a senior Chinese party leader since Mao Zedong's visit in 1957.

The plenum of the Chinese party's central committee last year approved arrangements for Mr Jiang's travel to Moscow.

Sources said the Chinese Communist Party welcomed the increasingly conservative policies of Soviet President Mikhail Gorbachev, expressed by military intervention in ethnic unrest.

Mr Gorbachev in May 1989 made an historic visit to China, which signalled an end to more than 30 years of division between the communist giants.

Meanwhile, an Asian diplomat said yesterday Mr Jiang would be invited to visit Japan next year to signal the 20th anniversary of the establishment of Sino-Japanese relations.

In a bid to push the bilateral relationship, the Chinese government would extend an invitation to the Japanese Emperor Akihito to visit China sometime next year, the diplomat said.

If everything went smoothly, it would be the first time a Japanese emperor visited the People's Republic of China.

Sino-Japanese ties have almost been fully restored since the cooling of diplomatic relations in the aftermath of the June 1989 democracy crackdown in Beijing.

Diplomatic sources said a series of official exchanges in the next few months would ensure the relationship continued to grow.

In return for a state visit to Japan by Chinese Premier Li Peng in 1989, Japanese Prime Minister Toshiki Kaifu is scheduled to visit China in August.

To pave the way for Mr Kaifu's visit, Chinese Foreign Minister Qian Qichen will pay an official visit to Japan in late June or early July.

In addition, two former Japanese prime ministers, Noboru Takeshita and Yasuhiro Nakasone will arrive in Beijing early in May to officiate at the opening of the Sino-Japanese Youth Exchange Centre, a Japanese-financed hotel, conference and sports complex.

Wu Bangguo Bids Farewell to Soviet Delegation

*OW2404132791 Shanghai City Service
in Mandarin 2200 GMT 22 Apr 91*

[By reporter (Yao Shukun): from the "Morning News" program]

[Text] Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, cordially bade farewell to Comrade Gidasov, secretary of the CPSU Central Committee and first secretary of the Leningrad Oblast CPSU Committee, in the Shanghai Mansion on the evening of 22 April. He congratulated the delegation on the success of its visit to Shanghai.

Wu Bangguo accompanied Gidasov and his party to get a bird's-eye view of the scenery along Huangpu Jiang. Meanwhile, he briefed the Soviet comrades on the development of the Pudong area, its opening to the outside world, and planning for Shanghai's long-term development.

Comrade Gidasov was glad for Shanghai's prosperity and development. The Leningrad delegation visited the Minhang Development Zone, the Baoshan Iron and Steel Complex, and (Xujing) Township in Qingpu County, and attended a forum on the situation of implementation of the reform and open policy in Shanghai presided over by Vice Mayor Gu Chuanxun.

Gorbachev, Republic Leaders Strike Deal

*OW2404133791 Beijing XINHUA in English
1134 GMT 24 Apr 91*

[Text] Moscow, April 24 (XINHUA)—President Mikhail Gorbachev and nine Soviet republics' leaders Tuesday decided to take urgent measures to bail his country out of the current crisis, TASS NEWS AGENCY reported today.

The move came in a statement jointly signed by Gorbachev and the nine republican leaders including the

maverick Russian leader Boris Yeltsin following a one-day meeting between them in a Moscow suburb, TASS said.

"Adopting decisive measures to restore everywhere constitutional order and strictly follow current laws until the passage of a new Union treaty and constitution of the union is a mandatory condition for stabilising the country," TASS quoted the statement as saying.

The statement put the signing of a new Union treaty of sovereign states as a priority for the country to overcome the current crisis, the news agency said, adding the leaders agreed to complete the drafting of the new Union treaty in the nearest future.

Gorbachev and the nine republican leaders from the Russian federation, the Ukraine, Byelorussia, Uzbekistan, Kazakhstan, Azerbaijan, Tajikistan, Kirghizia and Turkmenia also addressed to the six absent republics.

According to TASS, the participants recognised "the right of Latvia, Lithuania, Estonia, Moldova, Georgia and Armenia to consider independently whether or not to join the Union treaty," however believed "it is necessary to create a most-favoured regime for republics who sign the Union treaty, within the united economic space they will constitute".

The statement, while denouncing attempts to win political gains by instigating civil disobedience, reiterated an earlier call by Gorbachev to end strikes and protests and called on striking miners and all workers to "work to compensate for lost production."

The participants at the meeting unanimously supported joint anti-crisis measures by pledging their commitments to the economic agreements between the central and local governments for fiscal 1991 in an effort to head off aggravating social and economic situation, TASS added.

CPC Signs Document on Archives With CPSU

*OW2404132991 Beijing XINHUA in English
1208 GMT 24 Apr 91*

[Text] Beijing, April 24 (XINHUA)—The Chinese and Soviet Communist Parties signed a document here today, under which, the Soviet side will grant the Chinese side with copies of archives on relationship between the Communist Internationals and the Chinese revolution.

The document was signed by Wang Mingzhe, director of China's Central Archives, and Ivan Nikiforovich Kitaev, vice-president of the Research Institute of Marxism-Leninism under the Central Committee of the Soviet Communist Party and director of the institute's central archives on party affairs.

Wen Jiabao, alternate member of the Secretariat of the Central Committee of the Chinese Communist Party attended the signing ceremony.

Prior to the ceremony, Wen Jiabao met with Kitaev and a delegation led by him. Wen had a cordial and friendly conversation with the Soviet visitors.

The Soviet delegation arrived here April 20 on a goodwill visit to China at the invitation of China's Central Archives.

Northeast Asia

Trade Official on Sino-South Korean Trade

HK2504101191 Beijing GUOJI SHANGBAO in Chinese
21 Mar 91 p 1

["Special interview" by staff reporter Hao Ping (6787 1627) and Gu Naizhao (7357 0035 2507): "New Starting Point for Trade between Two Sides—Interview With Xu Dayou, Senior Representative of China Chamber of International Commerce's Representative Office in Seoul"]

[Text] After learning that Mr. Xu Dayou, who was appointed the first representative of the China Chamber of International Commerce's representative office in Seoul, would go to his post on 25 March, we called on him.

Mr. Xu Dayou told us that the China Chamber of International Commerce and South Korea's Korean Trade Promotion Corporation agreed that it was necessary to reciprocally set up a representative office of the nongovernmental institutions for promoting economic exchanges and trade on each other's side. After the agreement was concluded last 20 October, the first and second batch of the 20 personnel in the Chinese representative office in Seoul already arrived in Seoul on 25 February.

"In recent years, trade between the two sides has been developing rather rapidly and has now grown to a certain scale." Xu Dayou briefed us about the origin, current state, and future prospects of nongovernmental trade between China and South Korea. He said: "Along with the implementation of the opening-up policy in our country, nongovernmental economic relations and trade between our country and South Korea have developed." In past years, people in business circles on both sides have kept increasing their contacts and exchanges. Nongovernmental organizations exchanged visits; companies inspected each other; and various forms of contacts on various scales kept increasing. This created favorable conditions and provided opportunities for trade cooperation between the two sides. Moreover, through reciprocal inspections, cooperation developed from that between small and medium-sized enterprises to that between large enterprises. Cooperation projects were discussed, and agreement has been reached on some projects. Some projects have been started and have even yielded economic returns. According to statistics kept by the International Nongovernmental Economic Relations Association of South Korea, by the end of 1990, South

Korea had started 83 projects with a total investment of \$130 million in China. The volume of import and export trade between the two sides increased by a rather big margin. According to South Korean statistics, the total volume of bilateral trade increased from \$3.1 billion in 1989 to \$3.8 billion in 1990. A tendency toward further increase remains. This January, many South Korean entrepreneurs came to China to seek trade and investment opportunities, and such visits will also further increase. The branches of the Chamber of International Commerce in various provinces and municipalities actively played a mediatory role, and a large part of business talks was fruitful. The scope of cooperation has gradually broadened and extended to light industry and such industries as textiles, arts and crafts, food processing, electronics, nonmetal minerals, spare parts of motor vehicles, musical instruments, and toys. The forms of cooperation included doing compensation trade, processing imported materials according to imported designs to fill the overseas buyers' orders, setting up joint ventures, and running enterprises wholly owned by foreign investors. In particular, the number of enterprises wholly owned by South Korean investors is increasing. In the aspect of trade, our country mainly exports food, coal, crude oil, chemicals, steel, nonferrous metals, textiles, and nonmetal minerals to South Korea, and mainly imports textile fiber, machinery, equipment, chemicals, and textile products from South Korea.

Xu Dayou said: Such a favorable situation was derived from our country's opening-up policy and the progressively improving investment environment. In particular, the investment environment in Shandong and Liaoning Province was particularly attractive to South Korea. When coming to this point, Xu Dayou switched the conversation to another subject and said: "The quality of labor force in our country is high, and this is praised by the South Korean entrepreneurs. The image of Chinese workers has increased the confidence of South Korean businessmen." He cited a series of facts to show that there are many successful cases in the cooperation between South Korean business circles and our country. For example, a South Korean newspaper carried an article entitled "Qingdao Tuopudun Electric Appliance Company Changes China's Image" on 30 December 1990. The article praised the electric appliance company as a "very successful case" of South Korea's investment in China.

When talking about the structure of cooperation, Xu Dayou said: "The labor force is our country's strong suit, because we have good-quality personnel and a certain technical force in various industrial departments. The South Korean side possesses advanced technology and has rich management experience in many fields. So both sides can bring their own advantages into play, and their mutual complementarity is stronger than competitiveness.

Xu Dayou pointed out that the following characteristics will appear in the development of trade between the two sides: First, in view of the healthy growth in bilateral trade, South Korea will be more optimistic about the

prospects of investment in China, and some enterprises will increase investment, thus further solidifying some established cooperation projects. Second, in the past, cooperation was mainly conducted by some small and medium-sized enterprises; but some large enterprises in South Korea, such as Samsung and Taeu, have now also joined the trend and begun to develop cooperative relations with our side. So the scale of cooperation will grow further. Third, more people will attend various international fairs and professional exhibitions held on both sides, and the scope of contacts between the two sides will broaden and deepen.

Xu Dayou also told us that this May, the China Chamber of International Commerce will hold its first export commodity exhibition in Seoul; and in September, the Korean Trade Promotion Corporation will also hold an exhibition in China.

At the end of the interview, Xu Dayou told us that because South Korea is geographically close to our country, with the setup of the trade representative offices on each other's sides as a new starting point, the trade development prospects between the two sides are bright.

Jiang Chunyun Meets Japanese Prefecture Governor

SK2504100991 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 24 Apr 91

[Text] On the evening of 24 April, Jiang Chunyun, secretary of the Shandong Provincial CPC Committee, cordially received in the Nanjiao Guesthouse the Shandong people's old friend, Mr. Hirai Ryu, governor of Yamaguchi Prefecture of Japan and members of the Japanese prefectural delegation headed by him. At the invitation of the Shandong Provincial People's Government, Governor Hirai Ryu is paying a visit to our province.

On the evening of 22 April, Zhao Zhihao, governor of Shandong Province, met and feted Hirai Ryu, the governor of a Japanese prefecture and his entourage in the Diaoyutai state guesthouse in Beijing Municipality.

In arriving at the Jinan railway station on the afternoon of 23 April, Governor Hirai Ryu was enthusiastically greeted by Guo Changcai, vice governor of the provincial people's government, and more than 200 youths and children wearing bright-colored costumes.

During the reception, Jiang Chunyun extended a warm welcome for the fifth visit of Mr. Hirai Ryu to Shandong Province and stated that time flies like an arrow and that it had been almost nine years since the official visit paid by the Shandong Provincial government delegation headed by Su Yiran, former governor of the province, whom I accompanied, to Yamaguchi Prefecture in August 1982, in which an agreement on establishing friendly ties between the prefecture and province was formally signed. Over the past few years, the friendly relationship between the prefecture and the province have been steadily deepened and have developed

because of their common efforts. Exchanges and cooperation in the fields of culture, education, the economy, and trade between the prefecture and the province have been extensively carried out, in which both of them have scored gratifying achievements. When I was the governor of Shandong Province, we successfully sponsored a photographic exhibition featuring Yamaguchi Prefecture's scenery, which further deepened the understanding of the province's people of the prefecture. Jiang Chunyun also stated that our province is holding a session of the provincial People's Congress to discuss and approve a program of the national economic and social development for the coming 10 years and the Eighth Five-Year Plan. Therefore, our province will further deepen the reform drive, broaden the measures of opening to the outside world, and develop economic and technical cooperation and exchanges with foreign countries. The 10th anniversary of establishing friendly ties between Yamaguchi Prefecture and Shandong Province will fall in 1992. We hope that both the prefecture and province, based on the original foundation, can further develop the friendly relations between them; broaden their exchanges and cooperation in the fields of economy, technology, and culture; and make new contributions to eternal China and Japan friendship and long-term prosperity for the province and prefecture.

During the reception, Mr. Hirai Ryu extended thanks for the hospitality Shandong Province has shown him and stated that he had personally witnessed the gratifying changes experienced by Shandong Province through several visits. He heartily wished that the people across Shandong Province will score greater achievements in the coming 10 years and that the friendship between China and Japan will be handed down from generation to generation.

During his stay in our province, Governor Hirai Ryu will pay a courtesy call to the provincial people's government and make fact-finding tours in the cities of Jinan, Zibo, Taian, and Qufu.

Southeast Asia & Pacific

Australian Foreign Minister's Visit Continues

Li Peng: Reform 'Irreversible'

CM2404153491 Beijing XINHUA Domestic Service
in Chinese 1219 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—Chinese Premier Li Peng stressed here today that China's reform and open policy is "irreversible."

Li made the statement at an hour-long meeting in Zhongnanhai with visiting Australian Minister for Foreign Affairs and Trade Gareth Evans.

Refuting some foreigners' assertion that China is retreating in the reform, Li said that in fact, the reform, instead of halting and retreating, has taken some big steps forward.

In opening to the outside world, Li said, the number of joint ventures, wholly foreign-funded enterprises and cooperative enterprises is growing, the volume of investment increasing and the performance of these enterprises improving.

He went on to say that the Chinese leadership is doing its best to properly handle the relations between reform and opening to the outside world and stability.

"We are working to help the people benefit in the process of the reform, but not suffer losses. We are trying to guard against social turbulence while pushing forward the reform. We are trying to make the reform a success and to develop the national economy in the context of stability," he explained.

Li also spoke of the misunderstanding abroad that China is only pushing forward with the economic reform while shelving the political reform.

The actual situation is, he said, the political reform is also deepening with the on-going economic reform.

The objective is to promote the socialist democracy suitable to China's conditions and improve the socialist legal system.

Steps will be taken to give further play to the People's Congresses at various levels. The people and public opinion will have more say in supervising government employees, and more work will be done to strengthen the system of multi-party cooperation and democratic consultation under the leadership of the Chinese Communist Party, Li said.

Discussing bilateral relations, Li Peng hailed Evans' visit as marking the normalization of Sino-Australian friendly relations and cooperation, adding that the timing of Evan's visit is very good as it takes place in the spring. It is also spring for China's political and economic situation.

Li noted that although the two countries have differences in their social system, cultural tradition, economic development and population, they can seek common ground while reserving differences and promote cooperation.

With the growth of China's economy, Li said, Sino-Australian cooperation holds broad prospects.

Therefore, he stressed, China and Australia have no reason not to live as friends.

Evans said that Australia and China have a solid foundation for promoting cooperation. He noted that the two countries' bilateral relations in various fields have grown

rapidly since the establishment of diplomatic ties, and that there is still great potential for economic cooperation.

Noting that the two sides have fundamental differences on some issues, Evans stressed the importance of increasing exchanges so as to deepen mutual understanding.

Present at the meeting were Chinese State Councillor and Foreign Minister Qian Qichen and Foreign Economic Relations and Trade Minister Li Lanqing.

Joint-Cooperation Discussion

CM2404154491 Beijing XINHUA Domestic
in Chinese 1149 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—The top leader of the Chinese Communist Party said here today that China will develop friendly and cooperative relations with all other countries on the basis of the five principles of peaceful co-existence in spite of differences of ideologies and social systems.

Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, made this remark while meeting Gareth Evans, minister for foreign affairs and trade of Australia in Zhongnanhai this afternoon.

According to sources from the Chinese Foreign Ministry, Jiang said during the meeting that the restoration and expansion of friendly relations between China and Australia will be conducive not only to the peoples of the two countries, but also to the stability and development of the Asia-Pacific region as well.

Evans said that his current visit indicated that the friendly and cooperative relations between the two countries have returned to their normal track.

After the meetings and talks with Chinese officials in the past two days, Evans said, he learned the plan and orientation of China's modernization.

The situation and prospects of cooperation between the two countries are fine, he said, adding that Australia hopes the two countries will enlarge the fields of cooperation during the course of China's modernization.

He said that the two countries can also cooperate well with each other on many international issues.

During the meeting, Jiang recalled his meeting with Evans in Shanghai in 1985 and his visit to Australia in 1987. "I am extremely happy to see an old friend again," Jiang said.

At the request of Evans, Jiang briefed him on China's domestic situation. They also exchanged views on international issues.

Qian Qichen, Chinese state councillor and foreign minister, attended the meeting.

Meets NPC Vice Chairman

*OW2404085991 Beijing XINHUA in English
0736 GMT 24 Apr 91*

[Text] Beijing, April 24 (XINHUA)—Vice-Chairman Rong Yiren of the Standing Committee of China's National People's Congress [NPC] met with a delegation from the Australian Parliament, which is led by Parliament member Clyde Holding.

Rong and Holding voiced the common wish to strengthen the contacts between the two parliaments, which they believe will help enhance the mutual understanding and friendly relations between the two governments and peoples.

Holding said he is glad to see Australian-Chinese relations back to the normal track.

As economic ties are crucial to bilateral relations, he expects the two countries to strengthen consultation to ensure a healthy development of economic and trade cooperation.

Rong, defining China and Australia as two big countries with abundant resources, said bilateral economic and technological cooperation has a broad prospect.

Evans: Arms to Khmer Rouge

*HK2404155091 Hong Kong AFP in English 1523 GMT
24 Apr 91*

[Text] Beijing, April 24 (AFP)—Australian Foreign Minister Gareth Evans said here Wednesday he was convinced China continued to supply arms to Cambodia's Khmer Rouge resistance faction.

"I am totally convinced that there's no question of China withdrawing its support from the Khmer Rouge before a comprehensive settlement plan is put in place" to end the 12-year-old Cambodian civil war, Mr. Evans said.

"The Chinese have never said to me or any of the other players in the Cambodian conflict resolution exercise that they were prepared to make any such commitment," he told reporters after talks here with Chinese leaders.

The minister said he believed China would stop supporting the Khmer Rouge as soon as a comprehensive settlement was reached.

"I am confident that China remains totally committed to a comprehensive settlement strategy for the Cambodian problem," Mr. Evans said, adding that the "dynamics" were still in place to push the peace process forward.

Chinese officials had expressed "unequivocal support chapter and verse" for the negotiating text of a U.N.-brokered peace plan, he said.

China blames its opponents in the conflict, Vietnam and Phnom Penh, for stalling a settlement of the war.

Mr. Evans said there were grounds for optimism for an early end to the war, adding that "two or three outstanding areas of difference" remained in the language of the U.N. peace plan.

The differences were mainly over the demobilization of the warring factions' armed forces and guarantees that the Chinese-backed Khmer Rouge would not return to power, he said.

The radical Marxist group is responsible for the deaths of millions of people during a genocidal four-year rule of Cambodia that ended with a Vietnamese military invasion in 1978.

The group is now the most powerful arm of a three-faction resistance fighting the Hanoi-installed government in Phnom Penh.

Criticizes PRC's Human Rights

*BK2404071491 Melbourne Overseas Service
in English 0500 GMT 24 Apr 91*

[Text] Australia's foreign minister, Gareth Evans, has again criticized China's human rights record during the meeting in Beijing with his Chinese counterpart, Qian Qichen. Radio Australia's correspondent in Beijing, Kate Ball, says Senator Evans named three prominent activists jailed for their part in the prodemocracy movement of 1989 and 10 years earlier. Officials present at the meeting told her that it was a matter of concern for Australia that people were jailed in China for expressing dissent.

Senator Evans is the highest ranking Australian official to visit China since the Beijing massacre two years ago and Australian officials in Beijing say he will try to fully restore relations which were downgraded after the massacre.

Mr Qian Qichen said the visit was the start of a new phase in the two countries relationship. He said China's relations with Australia had had, what he termed, up's and down's and it is important to get the relationship back on track.

Senator Evans is due to meet the communist party leader, Jiang Zemin, and the premier, Li Peng, during his three-day stay.

Human Rights Delegation

*BK2404110891 Melbourne Overseas Service
in English 0800 GMT 24 Apr 91*

[From the "International Report" program]

[Text] In a surprise move, China has agreed to allow an Australian delegation led by two parliamentarians to examine the sensitive issue of the country's human rights situation. The surprise announcement was made today in Beijing by Australia's foreign minister, Gareth Evans, the most senior Australian official to visit China since the 1989 massacre. The delegation members have not

been selected, nor have details been worked out as to exactly where they will go. But Senator Evans said the group, which will also include a representative of the Human Rights and Equal Opportunity Commission and two academics, will be allowed to enter Tibet, and he expects they will have access to the country's prisons. Kate Wall reports from Beijing:

[Begin recording] [Wall] Gareth Evans could scarcely contain his delight when he announced to the Australian media what he clearly regards as a major coup for Australia. Admittedly, a small group of American officials was allowed into China late last year with the aim of examining the country's human rights situation, but Senator Evans says the Australian delegation will be able to stay in China longer, between a week and 10 days, and will probably have better access than the Americans. For a start, the group will be able to visit Tibet where independence demonstrations have been brutally suppressed since 1951, when the country was invaded by the People's Liberation Army.

China has always regarded the subject of human rights as they are understood in the West as something of a bourgeois indulgence. Human rights, according to the Chinese, have more to do with the ability to be properly clothed, housed, and fed. But especially since the Beijing massacre nearly two years ago, China has told the West to mind its own business. Human rights in China are a domestic matter into which other countries should not interfere. Senator Evans admits to being surprised that the Chinese have agreed to allow the six-member delegation, led by two senior federal parliamentarians, to effectively snoop in their backyard.

[Evans] Yes, I am a little because it is obviously quite a major step for them to take and one that does indicate, I think, on their part a recognition that they have suffered very much in the eyes of the world as a result of the human rights situation here and that they do need to better explain themselves. I think the real utility of the mission is that it will give us a much better idea of what is going on. It will give the Chinese a better idea of how we feel about what is going on and arising out of it, I think. There is a very excellent chance that over time we will see some improvements occur in the human rights situation here.

[Wall] Why do you think they have agreed?

[Evans] Well, I can only repeat. I think they do recognize the damage that has been done since June 1989 in the eyes of the world. They are anxious to reestablish the strained economic and political relationship with the rest of the world. They have got a particular problem on their plate with the United States at the moment, and I think they do see the need for some gestures of this kind. We, of course, hope there will not be merely a gesture, that it will be a prelude to some substantive change. But the important thing, as always, in this sort of area is to get the dialogue started, to get a better information flow going, and to just get more and more opportunities for

communication, because it was the [word indistinct] of that that imposes its own form of pressure for change.

[Wall] But how do you know that the Chinese will not simply take this delegation to places where they want the delegation to go?

[Evans] Because this will be quite a high-powered, and quite a sophisticated delegation. It will be quite counter-productive for such a delegation to come away feeling and believing that they had not been given, really, any kind of reasonable access to a full range of relevant people and institutions.

[Wall] So you do not think there is any risk that the delegation can be used as propaganda for the Chinese?

[Evans] Well, that always depends on the good sense of the people in such a delegation and how governments react to the findings that it produces. Let us not jump any large bridges at this stage, but treat the arrangement on its own merits, and let us hope that we can get something productive out of it.

[Wall] The Chinese have told Senator Evans they do not want the delegation to focus on particular individuals, namely those better known political dissidents who have been jailed by the authorities for expressing their views. However, the foreign minister said he does want the group to seek information and make representations about certain cases. He's also agreed that Australia can host a reciprocal visit by a Chinese delegation, which raises the possibility of the Chinese attacking, for instance, Australia's record on the treatment of aborigines. But Senator Evans said he doubted that the Chinese would even send such a group to Australia.

While Beijing could be interested in presenting a better face to the world, as Senator Evans says, the more likely driving force is the imminent consideration by the U.S. Congress of China's most favored nation trading status. The issue will be debated in June, a month before the Australian delegation is scheduled to visit China. But, by Beijing even agreeing to allow a Western country to closely assess human rights in China, it could appease those in Congress who want Beijing to suffer for the way the government treats its people. [end recording]

Call for Sino-Australian Trade

HK2504081791 Beijing CHINA DAILY
in English 25 Apr 91 p 2

[By staff reporter Chang Weimin]

[Text] China's Foreign Trade Minister yesterday called for an expansion of Sino-Australian trade which saw a hefty 58 percent increase in the first quarter of this year.

Li Lanqing said China should also tap trade possibilities in other South Pacific Ocean countries and proposed that bonded warehouses be set up in Australia for

Chinese-made goods that were to be exported to those countries. Such warehouses charge no tax on goods to be traded.

The minister made these remarks when he met Australian reporters accompanying the Australian Foreign Minister Gareth Evans on his current three-day visit to China.

China expected to increase entrepot trade with other South Pacific Ocean countries as well as direct trade with Australia, Li said, adding that exports to the countries surrounding Australia would be in small quantities and it would not be convenient for China to ship the goods directly to those countries.

Li said China expected the bonded warehouses to be set up in Melbourne and other cities along Australia's coast.

But China had not yet drawn up a specific plan detailing which countries would be involved in entrepot trade, he said.

Feasibility studies would be conducted into the entrepot trade which was expected to receive help from Australia.

The goods to be stored in Australia would be light industrial products, textiles, machinery and electronics, Li said.

Sino-Australian trade, which dates back to the mid-19th century, hit \$1.8 billion last year from just a few million dollars in the 1950s.

Bilateral trade in the first three months of this year totalled \$426 million, up 58 percent over the same period last year.

Of the trade volume, China exported \$145 million worth of goods and its imports amounted to \$281 million, increases of 80 percent and 48 percent respectively.

Australia is China's main supplier of raw materials, such as iron ore, wheat and wool. China's main exports include textiles, garments, light and chemical products as well as foodstuffs, handicrafts and machinery.

Sources at the Ministry of Foreign Economic Relations and Trade (Mofert) told CHINA DAILY that more government loans and grants from Australia were expected this year to facilitate the further development of technical co-operation between the two countries.

So far, Li said, 10 projects had been earmarked for government loans from Australia.

By the end of last year Australia had invested in 107 projects in China, involving \$316 million, while China had invested in 52 projects in Australia, involving \$314 million.

Li said he hoped Australia would help China in its efforts to maintain the most-favoured-nation (MFN) status for its exports to the United States.

Visit Ends

OW2504120591 Beijing XINHUA in English
0641 GMT 25 Apr 91

[Text] Beijing, April 25 (XINHUA)—Australian Minister for Foreign Affairs and Trade Gareth Evans left here today at the end of his two-day visit to China.

He was seen off at the airport by Chinese Vice-minister of Foreign Affairs Liu Huaqu.

Laotian Foreign Minister's Visit Continues

Meets Premier Li Peng

OW2404125891 Beijing XINHUA in English
1211 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—Chinese Premier Li Peng met with Phoun Sipaseut, Lao vice-chairman of the Council of Ministers and foreign minister, and his party here today.

Li expressed his thanks for the warm and friendly reception that the Lao leaders and people rendered him during his visit to Laos last year, and extended a warm welcome to Sipaseut, who is here on a visit and to attend the celebrations of the 30th anniversary of the establishment of diplomatic ties between the two countries.

Li noted that his last visit to Laos and the visit to China by Lao Chairman of the Council of Ministers Kaysone Phomvihane in 1989 served to restore and develop bilateral relations.

The leaders of the two countries achieved a number of results in their talks, Li continued, and the agreements reached between them are now being implemented.

The relations between the two nations are growing smoothly, he added.

Li congratulated Laos on its recent successful convening of the Fifth Congress of the Lao People's Revolutionary Party. He expressed the belief that the Lao people, under the leadership of the Lao party and Government, will surely make their nation even more beautiful.

On China's external relations, Li said that China attaches great importance to its ties with neighboring countries according to its independent foreign policy for peace, and will, as always, make its due efforts to promote friendly relations of cooperation with Laos.

During the meeting, Sipaseut said that the Lao party, Government and people treasured Li's visit to Laos last year, for the visit was historic and of great importance, and helped push bilateral relations to a new height.

On behalf of the Lao party, Government and people, Sipaseut thanked the Chinese Government and people for their assistance and support to Laos.

Meets with Qian Qichen

OW2504091791 Beijing XINHUA in English
0823 GMT 25 Apr 91

[Text] Beijing, April 25 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen and Lao Vice-chairman of the Council of Ministers and Foreign Minister Phoun Sipaseut, held talks here today.

Foreign Ministry sources reported that Qian extended a warm welcome to Sipaseut, who is here on a visit and to attend the celebrations of the 30th anniversary of the establishment of diplomatic ties between the two countries.

Qian said the visit by Sipaseut would surely serve to promote further bilateral friendly relations and co-operation.

Recalling the smooth growth in Sino-Lao relations, Qian said exchanges of visits between the leaders of the two nations have helped to advance bilateral relations to new heights.

The two foreign ministers achieved unanimity during their exchanges of views on further expanding and enhancing friendly co-operative relations.

Concerning bilateral air transportation co-operation, Qian said that last May the two sides signed a memorandum of understanding on civil air co-operation.

In accordance with the proposal put forward by Sipaseut, Qian said that he had replied, and that the two foreign ministers had completed an exchange of notes on bilateral civil air co-operation.

Qian expressed the hope for the realization of co-operative projects listed in the memorandum at an early date in order to create favorable conditions for further friendly bilateral contacts and economic co-operation.

The two leaders also exchanged views on the current international situation.

Sipaseut stressed that the Lao Government will pursue a foreign policy of making friends, maintaining an active attitude for developing friendly ties with neighboring countries, and creating a favorable international environment for the country's domestic economic construction.

Qian said he greatly appreciated the Lao policy of promoting friendly relations with neighboring countries.

Reception Marks 30th Anniversary

OW2404165691 Beijing XINHUA in English
1433 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—The 30th anniversary of the establishment of diplomatic relations between China and Laos was marked at a reception here this evening.

Vice-Chairman Peng Chong of the Standing Committee of China's National People's Congress and visiting Lao

Vice-Chairman of the Council of Ministers and Foreign Minister Phoun Sipaseut attended the reception, which was hosted by the Chinese People's Association for Friendship with Foreign Countries.

Addressing the gathering, Han Xu, the association's president, reviewed the traditional friendship between the Chinese and Lao peoples, saying bilateral relations have enjoyed constant improvement and development in recent years.

Chinese Premier Li Peng's visit to Laos last year and the visit to China by Chairman Kaysone Phomvihane of the Lao Council of Ministers in 1989 have brought that relationship into a new phase, Han said.

The Chinese people treasure their friendship with the Lao people, and are ready to strengthen the ties all the time.

Phongsavat Boupha, Lao Ambassador to China, recalled the history of mutual support between Laos and China, saying the furthering of Lao-Chinese friendship not only accords with the interest of the two peoples, but also contributes to regional peace and development.

Reportage on Issues Concerning Thailand

Huang Hua Meets Press

OW2404132391 Beijing XINHUA in English
1051 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—Huang Hua, standing committee member of the Central Advisory Commission of the Chinese Communist Party, met with a Thai press delegation led by Sakthip Krairiksh [name as received], director general of the Information Department of the Foreign Ministry, in the Great Hall of the People here today.

They had a friendly conversation on relations between the two countries and between their press circles, and on international issues of common concern.

Guo Chaoren, deputy director-general of XINHUA NEWS AGENCY, was present at the meeting.

This evening, Guo hosted a dinner for the Thai guests.

The Thai delegation, as guests of XINHUA, arrived here on April 23 for a ten-day visit to China. They will study the reform and open policy in China and exchange views on closer cooperation between the journalists of the two countries.

They will leave here on April 27 for a tour of the cities of Xian, Guilin and Guangzhou.

Thai, SRV Officials Meet

OW 2304120791 Beijing XINHUA in English
1144 GMT 23 Apr 91

[Text] Bangkok, April 23 (XINHUA)—Thai Foreign Ministry Permanent Secretary Viithaya Vejajiva discussed here today the bilateral and Cambodian issues with visiting Vietnamese Vice Foreign Minister Le Mai.

Talking to reporters after the discussions, Le Mai said that both Thailand and Vietnam shared the same view that "we should try our best to improve the relations between the two countries for the benefits of both the peoples."

He said they also discussed matters of setting up legal basis and mechanism for improving the relations between the two countries. But he did not elaborate.

The two sides also discussed the coming visit of Thai Foreign Minister Asa Sarasin to Vietnam for the preparations of Vietnamese prime minister's visit to Thailand, he said.

On the Cambodian issue, he said both sides would do their best to contribute to the peace process in Cambodia "because Thailand and Vietnam would share the benefit if there is a comprehensive solution on Cambodia."

Asked what will Hanoi do in settling the Cambodian issue, he said it would attend any international meetings on Cambodia, respect what ever decisions made by the Supreme National Council of Cambodia.

Commenting on the joint appeal issued on Monday by France, Indonesia and U.N. Secretary General Javier Perrez de Cuellar for a ceasefire among the warring factions in Cambodia, he said that was "one of the steps" of the comprehensive solution for the Cambodian issue.

During the meeting of Thai Foreign Minister Asa Sarasin and Le Mai here on Monday, Hanoi was urged to play a constructive role in solving the Cambodian conflict.

Le arrived here on April 19 for a five-day visit.

To Lift Martial Law

OW 2404060191 Beijing XINHUA in English
0545 GMT 24 Apr 91

[Text] Bangkok, April 24 (XINHUA)—Thai Prime Minister Anand Panyarachun Tuesday said he will lift martial law and the ban on political gathering early next month, accordig to local press report today.

Anand did not set an exact date, but it was estimated that the move will be made between May 1 and 5.

Once martial law was lifted, the National Peace-keeping Council's Order no. 7 which bans political gathering of five or more persons would also be revoked, Anand said.

As a matter of fact, he noted, freedom of expression has not been restricted, politicians and newspapers are still allowed to criticize without any official action being taken.

He said there would be no need for the government to enact a new law to endorse the lifting of martial law.

The Thai military seized the power of the country on February 23 and enforced a martial law.

XINHUA 'Round-Up' on Sino-Indonesian Ties

OW 2304182591 Beijing XINHUA in English
1820 GMT 23 Apr 91

["Round-up: China-Indonesia Ties Further Strengthened"—XINHUA headline]

[Text] Singapore, April 23 (XINHUA)—A 60-member acrobatic troupe from Wuhan City in central China is now performing in the Indonesian capital of Jakarta as the two countries are strengthening their bilateral relations in various fields.

According to reports from Jakarta, during the troupe's first show of nearly two hours on the night of April 20, lions' dance, juggling with the feet, plate-spinning, pole-climbing, magic and other items won warm applause of the local audience.

It is the first Chinese acrobatic troupe to visit Indonesia since the two countries resumed diplomatic relations last August, and more cultural exchange visits are scheduled to further promote the friendship and mutual understanding between the two peoples.

In another development, the Indonesian National Airline of Garuda Indonesia announced yesterday that it is likely to start operating Jakarta-Beijing flights in June.

Mr. Soeparno, the president of Garuda, said his company plans to fly three times a week between Jakarta and Beijing, which will certainly benefit the two countries' trade and tourism industries.

The two countries signed an air service agreement in Jakarta on January 31 to allow each country to appoint three air companies to fly air liners between the two countries.

On the political and diplomatic arena, Deputy Chinese Foreign Minister Xu Dunxin visited Jakarta and talked with his Indonesian counterparts last week on bilateral and regional issues.

Mr. Qian Yongnian, the Chinese ambassador to Indonesia, told reporters in Jakarta on April 18 that China supports the efforts by the Indonesian Government to resolve the Cambodian issue.

The two countries hold similar views on ending the Cambodian civil war, Qian said, and China fully supports the proposal by Indonesian Foreign Minister Ali Alatas on a meeting of the Cambodian Supreme National Council (SNC) in Jakarta, which will probably be held in May.

In the economic field, bilateral trade between China and Indonesia is ever increasing. According to the Chinese

ambassador, the trade volume reached 1.1 billion U.S. dollars in 1990 and would probably hit 1.5 billion dollars this year.

Sub-Saharan Africa

Trade Union Leader Meets African Counterparts

OW2204142291 Beijing XINHUA in English
1410 GMT 22 Apr 91

[Text] Beijing, April 22 (XINHUA)—Ni Zhifu, vice-chairman of the Standing Committee of the National People's Congress and president of the All-China Federation of Trade Unions, met and held talks here today with a delegation from the Organization of African Trade Union Unity led by its General Secretary Hassana Sunmonu and Deputy General Secretary Demba Diop.

On the current international trade union movement, Ni said that with the structural change in the world, the original structure of the international trade union movement is undergoing great changes.

The development of the international situation has raised the question of establishing a new order for the international trade union movement before the world trade unions, he said.

Ni said that the All-China Federation of Trade Unions holds that the new order should be set up on the basis of the principles of independence, equality, mutual respect and non-interference in each others' internal affairs.

He pointed out that the trade unions of every country have the right to choose their development mode and determine their policies in line with the situation in their country and the desire of the workers without interference from other countries' trade unions and from international trade union organizations.

He said that the trade unions of all countries, whether big or small, have the equal right to participate in consultations for the solutions to the affairs of the international trade-union movement. He stressed that this movement should not be monopolized by a few large trade unions or some international trade union organizations.

Ni noted that the trade unions of all countries should uphold their tradition of unity and support in the just struggle of the workers and peoples of all countries, adding that they should also promote unity and support each other in the spirit of mutual respect, seeking common ground while reserving differences, treating each other as equals, mutual benefit and cooperation.

He emphasized that the fundamental interests of the workers of all countries should not be harmed in any manner.

Ni said that the new order undoubtedly accords with the interests and desires of the workers of all countries, and

helps unite all forces that can be united to strive for lasting world peace, economic and social development and the protection of workers' rights and interests.

The development of friendly relations and cooperation between Chinese trade unions and the Organization of African Trade Union Unity agrees with the the fundamental interests of Chinese and African workers and is helpful to promoting the development of the international trade union movement, Ni said.

He reiterated that the Chinese trade unions support the African workers and people in their struggle to defend state sovereignty, oppose external interference, choose their political system and road to development in accordance with their countries' specific conditions, develop their national economy, promote the African economic unification, and establish the new international economic order.

He also briefed the guests on China's current political and economic situation and the work of the country's trade unions.

Sunmonu expressed his appreciation for Ni's proposal on the establishment of the new order of the international trade union movement. He also stressed that the affairs of the international trade unions must not be monopolized by a few of trade union organizations.

He said that he hopes the friendly relations and cooperation between the Organization of African Trade Union Unity and the All-China Federation of Trade Unions will be further developed.

Togo Health Minister Meets Outgoing Medical Team

OW2104033891 Beijing XINHUA Domestic Service
in Chinese 0543 GMT 19 Apr 91

[By XINHUA reporter Lin Feng (2651 1496)]

[Text] Lome, 19 April (XINHUA)—Aissal Agbetrab, Togo's Minister of Public Health met with all members of the outgoing Eighth Chinese Medical Team in Lome today and had a friendly talk with them.

Agbetrab said that the Chinese medical team's dedication, high quality of service, and medical expertise have contributed greatly to the health of the Togo people. He also acclaimed the results achieved in the field of medical cooperation between the two countries in the past 18 years and the good cooperative relationship established between medical personnel of the two countries in common areas of work.

The Chinese medical team currently working in Togo was dispatched by Shanxi Province. In the course of two years, the Eighth Medical Team has made 200,000 house calls and performed about 3,000 operations. They are highly appreciated by the government and the people of Togo.

NPC, CPPCC

Wan Li on Visits, Letters From Masses

OW1804215691 Beijing XINHUA Domestic Service
in Chinese 0344 GMT 18 Apr 91

[By reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 18 Apr (XINHUA)—From 15 March to 14 April, the Fourth Session of the Seventh National People's Congress [NPC] received 14,820 telegrams and letters from the masses around the country, including Hong Kong, Macao, and Taiwan compatriots, and received 1,299 visits by the people, according to information learned by this reporter from the concerned department of the NPC Standing Committee.

As demanded by the Secretariat of the session, the NPC department concerned took a serious attitude in dealing with the people's letters and visits. Based on the problems and suggestions reflected in the letters and on the visits, it issued 144 bulletins as a way to report them promptly to the leading comrades of the party Central Committee, the NPC Standing Committee, and the State Council.

A large number of letters extended congratulations on the success of the Fourth Session of the Seventh NPC, endorsed and supported the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development adopted by the session, and expressed the confidence that our country will proceed in the next decade from having enough to eat and wear to the goal of leading a relatively comfortable life. In addition, many letters offered opinions and suggestions on a host of hot issues and questions.

Chairman Wan Li showed deep concern about the people's letters and visits. During the period of the NPC session, he set forth many demands on the treatment of such letters and visits. He said that the "bulletins on the people's letters and visits" reflected many good opinions and suggestions, which should be earnestly studied. He asked the departments responsible for receiving the people's letters and visits to strengthen investigation and supervision so that the major problems and suggestions reflected in the letters and on the visits could be solved and put into practice.

Meanwhile, the leading comrades of the party Central Committee and the State Council attached great importance to the above-mentioned bulletins. Some leading comrades put forth explicit demands on handling the problems reflected in the bulletins and instructed the departments concerned to investigate and deal with them in a serious manner.

Fan Zhiming of the Inspection Department of the First Grain Warehouse of Shenyang City said in his letter: With its rich contents and in a bold way, Premier Li Peng's report has summed up what we did in the past and delineated a beautiful future by taking a scientific

approach and a realistic spirit. As a young worker, I deeply feel the heavy load on my shoulders.

Song Suli from Raohe County, Heilongjiang Province, sent in a "Song of the People's Deputies" compiled by himself. The song has these words: We are from various parts of the motherland. We have grown from the soil of the masses of people. We stand for the people's will and are entrusted with heavy tasks by the people. We manage important state affairs, erect bridges between the party and the masses, and act as envoys of the people. Extremely glorious are the people's deputies.

Cadres and masses of Zhangjiakou Prefecture offered a four-point suggestion to supplement Premier Li Peng's report: They suggested that further efforts be made to control the growth of the consumption funds so that the limited financial resources could be used to develop production; that substantive progress be made in correcting the problem of overlapped organizations and of administrative personnel in excess of the number authorized; that the pace of reform and opening to the outside world be further accelerated and more areas and cities be opened, in particular some poor areas be gradually opened; and that more efforts be devoted to helping the poor areas around the capital so as to create a favorable outer economic environment for the capital's construction.

A letter from Ding Zichuan of the Construction Design Institute of the Bangbu Glass Industry Design Academy in Anhui Province stated his proposed strategy for capital construction. Yang Mingqing from Xinpu Town, Xiaogan City, Hubei Province, offered his suggestions on seven rural tasks at present. A teacher at the Yuan-nanding Middle School in Beijing's Fengtai District expressed the hope that education reform would be earnestly carried out in primary and middle schools so as to correct the current problems. A letter from Xu Weibao, a young peasant in Gangkou Town, Taixian County, Jiangsu Province, stated the aspiration in the young peasant's heart about building a clean and honest government. Many retired cadres wrote letters hoping that all social sectors would be concerned about their difficulties with regard to daily life and medical care and would help to solve such difficulties.

Many letters expressed the hope that all-out efforts would be made to promote democracy and the legal system in our country. Hao Zhiyuan of the Mass Proposal Solicitation Department of the Shanxi Provincial People's Government suggested in his letter that the party and state introduce a system of soliciting proposals from the masses of people, saying that this is a vital way to guarantee institutionally that the party and state maintain contacts with the people as well as a major measure to promote socialist democratic politics. Huang Zhihui of the Quanzhou County Nitrogenous Fertilizer Plant in Guangxi made suggestions on ensuring better staff and simpler administration, streamlining administrative structure, and ensuring the incorruptibility of the government. He also hoped that NPC deputies and members of the National Committee of the Chinese

People's Political Consultative Conference would come to the grassroots level from time to time to get acquainted with the feelings of the people. This, he said, would assist them in the administration and discussion of state affairs.

Strengthening legislative work as well as supervision over the implementation of law is a major hope expressed by the letters. Some letters said that though a basic legal system has been formed in our country, there are still quite a few areas in politics, the economy, and social life where laws have yet to be enacted. The letters expressed the hope that the NPC and its Standing Committee would step up supervision to ensure that law is strictly enforced and that everything is done in accordance with law.

Official on 10-Year Program, Five-Year Plan

HK2204020591 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 14, 8 Apr 91 pp 3-5

["Newsletter" by staff reporter Li Anding (2621 1344 1353): "Program of Action Into a New Century—State Planning Commission Vice Minister Fang Weizhong on Outline of the 10-Year Program and Eighth Five-Year Plan"]

[Text] [Reporter] According to the experience of many developing countries, the evolution from the state of a just-sufficient supply of food and clothing to the well-to-do standard is a very important process of economic and social development which may involve great difficulties. China is going to face such a process in the 1990's.

In this connection, the Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, which is currently being examined and discussed by the Fourth Session of the Seventh National People's Congress [NPC], is regarded as the general blueprint for realizing the strategic goal of the second stage of the modernization program. Could you brief our readers on the course of the formulation and the main features of this "Outline."

[Fang Weizhong] Yes, indeed, the last decade of this century will be a very crucial period in China's socialist modernization program. In order to consolidate and expand the great achievements that have been made in the 1980's, further the reform and opening up process, and promote economic prosperity and social progress in China, the State Council made arrangements early last year to start studying and drawing up the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development. According to the requirements set by the State Council, the State Planning Commission made a thorough study and estimation in light of opinions solicited from various circles. All sectors and localities also made many surveys and studies of possible development in the next 10 years and during the Eighth Five-Year Plan. Members of all the democratic parties, personages with no party affiliation, experts, and scholars joined the discussion. Last September, the CPC

central authorities and the State Council called an economic work forum in which principal responsible comrades from all sectors and localities participated. The issue of the formulation of the 10-Year Program and the Eighth Five-Year Plan was discussed. Last December, the 13th CPC Central Committee held its seventh plenary session to discuss this issue intensively and adopted the "Proposal of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development." Based on this "Proposal," the State Council, in light of past work, put forth the "Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development," which has now been submitted to the current NPC session for discussion and ratification. Therefore, we can say the formulation of the "Outline" has displayed the spirit of democratic consultation and the mass line, and it has quite efficiently pooled the wisdom of all sectors.

As compared with previous five-year plans, the "Outline" only runs to some 30,000 characters. Despite the noticeable reduction in length, it has substantial content. The conciseness of the plan makes it better suited to the needs of the development of the socialist planned commodity economy. The state plan should only appropriately regulate some major economic and social activities, while most of general activities should be conducted under the guidance of the state's overall plan so that the regulatory role of the market can be brought into play. Therefore, in the spirit of emphasizing key points and conciseness, an attempt was made to ensure that the "Outline" mainly gives guidance for social and economic development in terms of orientation and policies rather than setting excessive specific targets.

As I see it, the "Outline" has the following main features: it has integrated 10-year long-term planning with five-year medium-term arrangements, and drawn up the Eighth Five-Year Plan in accordance with requirements stemming from the strategic goal scheduled to be fulfilled by the turn of the century. It has integrated the promotion of aggregate economic growth and the general improvement of economic quality, with a view to realizing continuous, steady, and well coordinated economic development and with emphasis on the optimization of the economic structure, the acceleration of scientific and technological development, and the improvement of economic results. It has integrated development with reform—economic growth will rely on reform, and reform will serve economic growth; and it has integrated economic development with social development to ensure general social progress, with socialist material civilization developing along with socialist spiritual civilization. In view of the many uncertain factors affecting economic and social development in the next 10 years, we could not go too far into the details in drawing up the 10-Year Program but only fix the main structure. The "Outline" has placed the focus on the Eighth Five-Year Plan since this plan is to be implemented immediately. More specific targets have been set and more details about projects have been included in the five-year plan.

[Reporter] Could you talk briefly about the goal set by the "Outline" for the next 10 years?

[Fang Weizhong] The general requirement set by the "Outline" is to fulfill the strategic goal of the second stage of China's modernization program and enhance the overall quality of the national economy to a new level in the 1990's. To put it more precisely, by the turn of the century the gross national product, in terms of constant prices, will be quadruple the figure for 1980, growing at an average annual growth rate of 6 percent; the living standards will be raised from the state of a just-sufficient supply of food and clothing to a well-to-do level; efforts will be made to develop science, technology, and education, and to step up the construction of key projects, and thus lay down a material and technical basis for sustained economic and social development in the early 21st century; and a new economic structure and operational mechanism will be initially built up to suit the socialist planned commodity economy. New progress will be made in the development of both socialist spiritual civilization and the socialist democratic legal system.

The fundamental purpose of socialist production and construction is to constantly satisfy the people's ever-growing material and cultural needs. The "Outline" provides that the living standards will be improved on the basis of growth in production, and all the Chinese people are to enjoy a well-to-do living standard by the turn of the century. The well-to-do living standard we mention here consists of an improved material and an enriched spiritual life; and it includes both an increase in the individual's purchasing power and an improvement in social welfare and the working environment. As China is a large country where the economic and cultural development is unbalanced, the well-to-do living standard can only be achieved gradually and separately in different parts of the country. In this regard it is not possible to fix a unified schedule for all the country. But the achievement of the well-to-do living standard by 2000 is a goal that we must strive for and common prosperity is a principle that we must uphold. One of the most important advantages of the socialist system is common prosperity. The "Outline" has given comprehensive consideration to the living standards, the quality of life, the consumer goods mix, and the consumption structure from the Eighth Five-Year Plan through to 2000. During the past 30 years or more, especially during the first decade of reform and opening up, the Chinese people have solved the problem of supply of food and clothing, which is a great achievement that has astonished the world. When 10 more years pass, the Chinese people, both in urban and rural areas, will have ample food and clothing and will be able to lead a happy life and work in peace. Greater improvement will be made in supply of food, clothing, and commodities, and in housing, transportation, and other aspects, particularly in housing conditions; the people's health condition, nutrition standard, average life-span, and other standards indicating the quality of life will be further improved; and various social security systems will be gradually established and perfected as well.

[Reporter] Since the Third Plenary Session of the 11th CPC Central Committee, the party has shifted its focal point of work to economic construction, and thus opened up a new historical era. What do you think is the positive significance of this development to the economic and social development in the next 10 years?

[Fang Weizhong] We must say that the 1990's will be a decade in which we will continue to take economic construction as the center, uphold the four cardinal principles, stick to the basic line of reform and opening to the outside world, and open up an increasingly broader road to socialism with Chinese characteristics on the basis of the great achievements that we have made in the 1980's in modernization, reform, and opening to the outside world.

In the 1980's, the Chinese people of all nationalities, under the CPC's leadership, successfully completed the Sixth and Seventh Five-Year Plans, and fulfilled ahead of schedule the strategic goal of the first stage of China's modernization program. The reform of the economic structure has smashed the original structure that used to fetter the productive forces and brought the initiative of all sectors into play. The implementation of the policy of opening up to the outside world has enabled China's economy to play an active part in the world. To overcome difficulties and problems in our road ahead, we have implemented in the past two years the principle of improving the economic environment, rectifying the economic order, and furthering reform in depth; and remarkable results that are better than expected have been scored. All these have laid down a pretty solid foundation for economic and social development in the 1990's. Of course, we are still facing many problems and difficulties, for instance, the relatively low per-capita share of resources, the large population, and the heavy burden on the economy and society due to the newly-born population each year. These are factors unfavorable to China's economic and social development. As far as the international environment is concerned, in the 1990's we will face serious challenges and also many good opportunities. The 10-Year Program and the Eighth Five-Year Plan have been formulated in light of a comprehensive evaluation of the domestic and international situation, and especially on the basis of the experience that we have conscientiously drawn from economic work and practice in reform and opening up over the past 10 years. In the 1990's, we will try our best to fulfill the general requirement for building socialism with Chinese characteristics, make unremitting efforts to forward reform and the opening up process, steadfastly carry out the principle of maintaining sustained, stable, and well coordinated economic growth, always take the improvement of economic results as the center of all economic work, and strive for wholesome economic and social development.

You must have noticed that the period that links the former and latter 10 years is the present period of economic improvement and rectification. Thanks to efforts made in the past two years, the main targets of the

economic improvement and rectification operation, namely, to inhibit inflation, to cool down the overheated economy, and to maintain moderate economic growth, are likely to be fulfilled as scheduled, and it is also likely that progress will be made in the readjustment of the product mix. However, further efforts are needed to achieve a balance between aggregate supply and demand, the rationalization of the production structure, the improvement of overall economic results, the rectification of economic order, and the straightening out of basic economic relations.

—An important point that we need to pay attention to in the economic construction of this country in the next five to 10 years is the necessity of maintaining the balance between the aggregate supply and demand. In this connection, we must work out a rational general scale of investment in fixed assets which will match our national strength; and set an appropriate growth rate for the consumption fund which will suit the growth in the national income. To achieve this, we must earnestly tighten macroeconomic regulation and control and improve comprehensive balance so as to maintain a balance in finance, credit, foreign exchange, and important material supply and an equilibrium between them. In light of the reality in China at the present stage, we must hold to a retrenching rather than expanding financial, monetary, and investment policy, set a reasonable economic growth rate on the premise that a balance between the aggregate supply and demand and a general economic stability are maintained, and prevent the recurrence of an overheated economy that would require another round of readjustment.

—Another important problem that must be properly solved in the next 5 to 10 years in China's economic construction is the necessity of vigorously readjusting, constantly rationalizing, and gradually modernizing the economic structure. The major shortcomings of the present economic structure are: the poor agricultural basis, the lack of potential for further development, and the failure on the part of agriculture to keep up with industrial development and improvement in the living standards; and, as far as the industrial structure is concerned, the undue emphasis laid on general processing industries, the short supply of energy and raw and processed materials, and the slow development of communications and transportation which is turning out to be the "bottleneck" in economic development. In view of this, the "Outline" has clearly defined the focal points and areal distribution of the economy in the next 10 years and during the Eighth Five-Year Plan. The basic task we must do is: to actively readjust the production structure according to the requirement for gradual modernization of the national economy and in light of the changing consumption pattern, with the focal point placed on the intensification of agriculture, the energy industry, communications and transportation, telecommunications, water conservation, the important raw and

processed material industry, and other basic industries and infrastructure; at the same time, to devote great efforts to the development of the electronics industry and the reorganization and transformation of processing industries, to actively promote the building industry and tertiary industries, and to step up the optimization and modernization of the production structure. In the course of readjustment of the production structure, we will also strive to improve the areal economic structure and productive force structure according to the principle of unified planning, rational division of labor, complementary and coordinated development, comprehensive consideration of interests, and common prosperity.

—The prospects for economic development in China depend on whether we can effect a basic shift in the development strategy from the one-sided pursuit of growth in the gross output value to the pursuit of economic results. This is yet another important problem that needs to be resolved in the course of economic development in the next five to 10 years. The extensive management and output value-oriented model of economic development, the blind investment in processing industries, and construction of duplicate projects have resulted in waste of the country's limited resources. Since quite a wide variety of resources are in relatively short supply in China and we are facing many problems such as lack of funds and poor infrastructure the fundamental way out for economic construction lies in the pursuit of increase in output, growth rate, and development through the improvement of economic results and quality. To improve economic results, we need to make efforts in various aspects. The state needs to strengthen planning of macroeconomic administration while bringing the positive role of the market mechanism into play and ensuring the rational distribution of resources; to adopt an economic policy encouraging technological progress; to introduce a mechanism of competition under which the fittest will survive, including the establishment of an enterprise bankruptcy system, the reform of the labor employment system, and the improvement of the social security system.

[Reporter] Reform and opening up is the great motivation that enabled China to fulfill its strategic goal for the first stage of its modernization program. Could you talk about the guiding ideology of the "Outline" that defines the general goal, orientation, tasks, and measures to be pursued in the in-depth development of the reform of the economic structure and expansion of the opening up process?

[Fang Weizhong] Reform and opening up is the road to making the country powerful and the people rich. Thanks to the full implementation of reform, we have fulfilled our first-stage strategic goal in the 1980's. To successfully complete the heavy and arduous tasks for the second stage of our program in the 1990's, to a very large extent we will have to rely on reform. Here I must point out one thing, reform is not an undertaking that can be accomplished by one move. We can interpret the

reform in two senses. In the first sense, the constant improvement of the production relations and superstructure in the wake of the development of the productive forces will be going on throughout the entire process of the growth of socialist society—this no doubt fits the case of the ongoing reform in this country. In the other sense, however, the reform we are mentioning usually also refers to a specific process with the aim of getting rid of shortcomings in the existing economic structure that have come to the surface over a period. A reform in this sense was launched in the 1980's and should be basically finished in the 1990's through an exploratory and gradual process. The "Outline" suggests that the reform of the economic structure should be carried out full scale in an organized and planned way, in accordance with the general requirement for basically establishing a new socialist planned commodity economy and an operational mechanism integrating the planned economy with market regulation in the next 10 years.

Reform is an important task which requires us to adopt an active attitude and also a gradual process which requires us to blaze new trails in many areas. With regard to the integration of the planned economy and market regulation, for instance, the form, extent, and scope of the integration of the two should be readjusted and reformed according to different products and the actual circumstances in different areas in different periods. In the 1990's, we are to face the dual task of turning planning into a scientific process and regularizing the market. To cite yet another example, the contracted financial responsibility system has played an important part during the initial period of reform in demolishing the highly centralized distribution system characterized by unified control over revenue and expenditure and the practice of eating from the same big pot, but, in the wake of economic development, this system's negative factors have been gradually exposed. In the main, it has encouraged the growth of self-sustaining local economic systems and closed local markets, which has in turn resulted in dispersion of financial resources and redundant duplicate construction projects. Reform and improvement in this respect will be an important task for us to accomplish in the 1990's.

Therefore, to fulfill the second-stage goal of China's modernization program, we still have to rely on new initiatives in reform and opening up and further improve all the measures related to reform and opening up that were first introduced in the 1980's. As far as this is concerned, we are to do the following main tasks. While keeping public ownership as the dominating economic sector, we are to moderately develop the individual economy, the private economy, and other economic sectors, so as to develop an ownership structure which suits the present level of productive forces in China. Centering around the efforts to invigorate enterprises, especially state-owned large and medium-sized enterprises, we are to push ahead the reform of the enterprise structure. We will establish a nationwide unified market, including the commodity market and the

market system for all kinds of elements of production. We will actively and appropriately forward price reform, with the aim of developing a sound and rational pricing mechanism and price administrative system. We will continue to consolidate and improve the contracted financial responsibility system, introduce a composite budget system, and, at the same time, launch some pilot projects to test the separate tax system, with a view to establishing a stable and regulated financial and taxation system. We are to strengthen the central bank's function in macroeconomic regulation and control, and to run specialized banks as enterprises and develop a monetary market while ensuring the implementation of the state's industrial policy. We will reform the planning structure and reasonably modify the scope of the mandatory plan, guiding plan, and market regulation, with the focus placed on forecasting, planning, guidance, and regulation of the whole society's economic activities, conscientiously apply the law of balanced development, the law of value, and the law governing supply and demand, and strive to achieve step by step the management and regulation of economic activities mainly through economic policies and economic levers. We will continue the reform of the wage and distribution system and do away with egalitarian practices while narrowing the excessively wide gap in income and distribution. Finally, we will gradually establish a sound macroeconomic regulation and control system.

Opening up to the outside world is our basic state policy. The "Outline" suggests that in the next 10 years and during the Eighth Five-Year Plan, China should further expand economic exchange and cooperation with foreign countries based on the principle of equality and mutual benefit. We will strive to promote foreign trade. With regard to export, we will emphasize the improvement of commodity quality and economic returns, and we will strive to gradually effect the switchover from the export structure dominated by primary processed goods to that dominated by intensively processed goods. While expanding exports, we will moderately increase imports. We will continue to take the initiative in efficiently utilizing foreign funds and to maintain a reasonable amount and mix of external debts. We will more vigorously draw in and regulate investments by foreign businessmen by various means, strive to start more projects that will promise foreign exchange earning through exports or will involve advanced technology, and pay special attention to combining foreign-financed projects with technological transformation of local enterprises. We will continue to promote economic growth in coastal areas and vigorously develop export-oriented economy. We must maintain the stability and continuity of all the basic policies on the special economic zones, consolidate and develop all the established economic and technological development zones, open coastal cities, and opened areas, and do a good job in running the Shanghai Pudong New Zone project. We must select in a planned way some inland border cities and areas and make them the country's windows opened to the outside world, so as to

promote foreign trade and technical exchange between border areas and neighboring countries.

By the way, the "Outline" embodies the guideline that is in favor of well-coordinated economic and social development and comprehensive social progress, with the focus placed on economic construction. The "Outline" has clearly defined the tasks and requirements regarding control of the population size, the enhancement of population quality, the exploitation and management of land and environmental protection, the promotion of socialist spiritual civilization, the development of culture, public health, and sports and physical culture, the intensification of ideological and political work, the development of socialist democracy and legal systems, the enhancement of the great unity among all nationalities of China, and the modernization of national defense.

By and large, the "Outline" has forecast China's economic, scientific and technological, and social development and further defined the goal, tasks, and measures of the reform and opening up in the 1990's, in light of the "Proposal" put forth by the CPC Central Committee. It has shown us the magnificent blueprint of China's socialist modernization by the turn of the century. Examined, revised, and approved by the current National People's Congress session, the "Outline" will become the program of action guiding the Chinese people of all nationalities in their efforts to fulfill the second-stage strategic goal and in their way to the new century, and it will effectively inspire the vast number of cadres and the Chinese people of all nationalities to march forward along the road to socialism with Chinese characteristics.

Political & Social

U.S. Envoy Reiterates Human Rights Position

OW2504064191 Beijing XINHUA in English
0604 GMT 25 Apr 91

[Text] Washington, April 24 (XINHUA)—Chinese Ambassador Zhu Qizhen has pointed out that the Chinese Government has always attached great importance to the human rights issue.

"In China, the fundamental human rights are the people's right to live," Zhu said Tuesday when making a speech at James Madison University near Washington D.C.

He said the primary task of the Chinese Government is to solve the food, clothing and housing problems for a population of 1.1 billion, which are the basic human rights of the Chinese People.

With 7 percent of the arable land in the world, China has supported 22 percent of the world population, Zhu said, adding that this means that the most fundamental human right problem has been solved in China.

If there is chaos and disorder in a large country like China, he said, tens of millions of people will suffer from famine or even lose their lives.

To maintain stability is vital to China, and without stability, there would be no basic human rights there, he said.

Moreover, he said, China has also taken an active part in the international activities related to human rights, and participated in many international human rights organizations and conventions.

Referring to Tibet, Zhu said Tibet has been an inalienable territory of China since the 13th century and this fact is recognized by most countries in the world including the United States.

As the Dalai Lama abandoned his original position and advocates an independence of Tibet in attempt to separate China, Zhu said, he is not a mere religious figure, but a political activist in exile.

Recalling the progress in Tibet since the founding of New China in 1949, Zhu said many American people misunderstand the issue of China's policies toward the region.

The ambassador also explained China's position on the development of Sino-U.S. relations.

Jiang Zemin Inspects Sichuan Armed Police Corps

HK2504060891 Chengdu Sichuan Provincial Service
in Mandarin 0915 GMT 24 Apr 91

[Text] On 20 April, accompanied by Yang Rudai, member of the CPC Central Committee's Political Bureau and secretary of the Sichuan Provincial CPC Committee, (Deng Hongxun) and Wan Jiabao, alternate members of the CPC Central Committee Secretariat, Lieutenant General Zhang Taiheng, commander of the Chengdu Military Region, Lieutenant General Li Jiulong, deputy director of the People's Liberation Army [PLA] General Logistics Department, and other leading comrades, Jiang Zemin, general secretary of the CPC Central Committee, arrived at the Sichuan Provincial People's Armed Police Corps Barracks especially to meet with cadres at and above regimental level, from various organs of the provincial corps and various armed police troops stationed in Sichuan, and cadres at and above section level from various political and legal work departments at provincial level, the provincial public security department, and Chengdu City Public Security Bureau.

At 0842, a minibus gently entered the Sichuan Provincial Armed Police Corps Headquarters courtyard. No sooner had the minibus stopped than General Secretary Jiang, who was wearing a Chinese tunic suit, stepped out. Lin Xianze, commander of the provincial corps, immediately ran up and saluted General Secretary Jiang. Lin accompanied General Secretary Jiang into a conference room where General Secretary Jiang warmly shook hands with all the comrades and gladly had a group photo taken with all the comrades present. General Secretary Jiang then made a speech in which he laid

particular stress on the importance of maintaining stability and unity. He said: In order to successfully carry out economic construction, we must have a situation of stability and unity and a stable social environment. Without a situation of stability and unity and a stable social environment, it will be impossible to develop the economy. Of course, successful economic construction will also promote social stability. This is a truth acknowledged in ancient times and at present, and at home and abroad. Should we fail to develop the economy, we would not have any say in the world. [words indistinct]

General Secretary Jiang pointed out: The maintenance of stability and unity hinges on powerful ideological and political work and strengthened national defense education. We should talk about our modern history, our contemporary history, and the road we have traversed to the people, beginning with those in the kindergartens, to let people understand that it was under the leadership of the CPC, and after scores of years of heroic struggle, that we finally overthrew the Three Big Mountains, liberated the whole country, and enabled the Chinese people to stand up once and for all.

General Secretary Jiang stressed: In order to maintain stability and unity, we must strengthen troop building. The PLA and the Armed Police Forces are troops of the people. The hostile forces in the world always try to undermine the socialist system through both armed invasion and peaceful evolution. We must fully understand this situation and must not lower our guard. The Armed Police Forces must always maintain sharp vigilance, successfully carry out their work, safeguard the situation of stability and unity and the stable social environment, and ensure the smooth progress of socialist modernization building.

During his inspection in Sichuan, General Secretary Jiang also found time to write, with pleasure, the following inscription for the Sichuan Provincial Armed Police Corps: Bear in Mind the Sacred Duty of Armed Police, Heroically Act As the People's Faithful Guards.

Though General Secretary Jiang has left the provincial corps's headquarters, his concern for armed police troop building, his kindness, and his unassuming style have left a deep impression among officers and soldiers of the Armed Police Forces. Soon afterwards, the Sichuan Provincial People's Armed Police Corps held a party committee meeting to discuss and make arrangements for studying, implementing, and carrying out the spirit of General Secretary Jiang's speech.

Over the past few days, provincial corps officers and soldiers have been conscientiously studying, implementing, and carrying out the spirit of General Secretary Jiang's speech. The broad masses of officers and soldiers unanimously resolved to: Forever adhere to the party's absolute leadership over armed police troops; build armed police into an iron and steel force that is forever politically qualified and militarily and technologically competent;

work hard and strive to safeguard social stability; consolidate and develop the situation of stability and unity; attain the grand goals laid down in the 10-year Program and the Eighth Five-year Plan; and repay the profound kindness shown by the Party Central Committee, the State Council, and the Central Military Commission for the people's troops through their own deeds.

State Councillor Zou Jiahua on Economic Reform

*HK2404110391 Beijing GONGREN RIBAO
in Chinese 23 Mar 91 p 2*

[Report: "At National Meeting on Rationalization Proposals Work and Commendation Meeting, State Councillor Zou Jiahua Points Out: Strive for Better Quality, Increase Variety, Reduce Costs, and Improve Efficiency"]

[Text] Zou Jiahua, state councillor and minister of the State Planning Commission, delivered an important speech at a national meeting on rationalization proposals work and commendation held on 22 March. In his speech, Zou Jiahua pointed out: The mass activity of rationalization proposals and technical innovation is not only a major content and one of the important signs in our efforts to run socialist enterprises well, but also a key to satisfactorily carrying out "quality, variety, and efficiency year" activities. He also put forward some new requirements on how to carry out the activity of rationalization proposals in a thoroughgoing way. The following is a summary of his speech:

As an embodiment of the guiding ideology of relying on the working class to build socialism, this national meeting on rationalization proposals work and commendation will exert a positive impact on our efforts to expedite China's economic construction. At present, China is enjoying political and social stability, our peoples are at ease, and the national economy is developing favorably. The policy of controlling total supply and demand and appropriately readjusting economic structures and retrenchment intensity adopted by the State Council is continuing to yield results. Industrial production and economic efficiency have been picking up monthly. However, we should notice with a sober mind that we are faced with extremely arduous tasks of economic rectification, reform, and development, and that problems such as inferior quality, inadequate variety, high production costs, and poor economic efficiency existing in many enterprises have become a serious and long-standing hindering China's further economic development. According to a sample survey by a relevant department of the state, the satisfactory rate of China's manufactured goods is about 75 percent, and the output value of quality goods accounts for only about 26 percent of total output. Among nearly 60,000 various new products China develops each year, only 3.5 percent meet international standards. The unmarketability of products has resulted in large overstocks of such products, while irrational increases in stocks have also caused rough economic operation, an increase in the circulating days of funds, and a drop in economic efficiency.

To solve these problems, it is necessary to, on the one hand, start by strengthening macroeconomic management to continue doing a good job in economic improvement and rectification, deepen reform, work out relevant policies and measures, create a sound external environment for enterprises, and enhance enterprise capacity for self-accumulation and transformation. On the other hand, efforts should be concentrated enhancing the internal management and inner quality of enterprises. Another important thing to do is to rely on and mobilize the vast numbers of the masses of workers and staff members to carry out the activity of rationalization proposals and technical innovation. Among enterprises located in the same region or cities under the same conditions, even those of the same scale making the same products, some enjoy continued growth in economic efficiency by turning out fine quality and marketable products; while others suffer from poor economic efficiency, large overstocks of products, and inferior or unstable quality which have invited a lot of complaints from customers. Where does the difference lie? It lies in whether or not enterprises can do a good job of internal management, enhance their inner quality, rely on and mobilize masses to extensively carry out the activity of rationalization proposals and technical innovation, and try every means to tap their own potentials. We have seen many such typical cases, among which is Wuhan Iron and Steel Plant commended by this meeting. Over the past 10 years, under the same macroeconomic conditions, the plant has relied on the vast numbers of workers and staff members, focused on developing variety and enhancing quality, strengthened its basic work, persisted in technological progress, and intensified making quality the focus of its operational management. As a result, the plant has succeeded in breaking new development paths of quality and efficiency with less input, more output, and higher economic efficiency, and has made remarkable contributions to the state. The practices of Wuhan Iron and Steel Plant and other good enterprises prove that in order to run socialist enterprises well, it is imperative to give play to the creativity and master spirit of the vast numbers of workers and staff members. The mass activity of rationalization proposals and technical innovation is an effective means for enterprises to rely wholeheartedly on the masses of workers and staff members in strengthening enterprise management, and also a vast arena for the latter to discharge their responsibility and work as masters, give full play to their talent, and display their self-value. The vast numbers of workers and staff members are best qualified to speak on problems in enterprises, especially on how to enhance product quality, economize on raw and supplementary materials, reduce energy consumption, increase the utilization rate of time limit, and strengthen quality management in the process of production. The mass activity of rationalization proposals and technical innovation is a key to carrying out "quality, variety, and efficiency year" activities. From a more profound viewpoint, the thoroughgoing and sustained activity of rationalization proposals and technical innovation is of great significance in bringing about an

upturn of quality, efficiency, and technical innovation in China's economy; and maintaining sustained, stable, and well-coordinated development in the national economy.

Typical experiences have been exchanged in this meeting on how to carry out extensively the mass activity of rationalization proposals and technical innovation in a thoroughgoing way. After the meeting, more efforts should be made to publicize and turn these advanced deeds and experience to the advantage of more enterprises, to enable more enterprises, individuals, and collectives to take an active part in this activity. Here, I would like to give my views on the following issues for your reference:

1. The focal point in doing a good job in the activity of rationalization proposals and technical innovation "lies in leadership," including the leadership of various departments, enterprises, and, undoubtedly, trade unions. Such "leadership" is not only reflected in the mobilization of enthusiasm among the masses of workers and staff members, but also in the protection of such enthusiasm. As a result, the activity of rationalization proposals and technical innovation can be carried out in a sustained way, thus giving rise to sound common practices in enterprises and a good general mood in society, whereby everybody concerns himself with the state, the collectives, and the revolutionary cause. To this end, leaders at all levels should accomplish the following: 1) It is necessary to acquire the mass viewpoint and fully understand and believe that the masses of the people are the creators of history, masters of our socialist country and enterprises, and the main body of practice. The masses have a vast reservoir of enthusiasm, wisdom, and creativity. The purpose of launching the activity of rationalization proposals and technical innovation is to combine and turn such enthusiasm, wisdom, and creativity into a huge material strength. The activity of rationalization proposals is also an important form and content of our efforts to maintain close links with the masses. Leading cadres at all levels should approach and evaluate from this high plane the mass activity of rationalization proposals and technical innovation, and enhance their conscientiousness in guiding and organizing this activity. 2) Earnest efforts should be taken to strengthen the organization and leadership of the activity of rationalization proposals, and place on their agenda the work of studying and assimilating rationalization proposals of the masses. Necessary organs should be set up so that workers and staff members can go to the right persons and organs once they want to raise, and get feedback on, their proposals. These should be turned into a regular practice which can be guaranteed in systematic and procedural terms. Relevant organs to intensify the testing and evaluation of proposals should also be set up. 3) It is necessary to work out, improve, and implement various relevant policies. Technical strengths should be organized to implement practical and effective proposals which have been adopted, while the policy of spiritual and material rewards should be carried out to the letter. It should be noticed that it is out of their spiritual mainstay, namely their love of the state and their enterprises, that the masses of workers and staff

members are taking an active part in the activity of rationalization proposals and technical innovation, and their master spirit and enthusiasm for creation are a worthy labor which has a certain value. Once we confirm the economic efficiency and value of their proposals, we should lose no time in commending and rewarding them for their labor, and can by no means ignore the socialist principle of "to each according to his work." Although awards are given to only a small number of people, the implementation of the reward policy will serve as an encouragement to large numbers of people. Earnest implementation of the reward policy is an effective and long-lasting measure to further mobilize the enthusiasm and further tap the wisdom of workers and staff members.

2. In order to achieve practical results in the activity of rationalization proposals and technical innovation, it is necessary to give prominence to the focal points of the activity of rationalization proposals and technical innovation. It is the focal point and main direction of the activity of rationalization proposals to strive for better quality, increased variety, reduction of costs, and improved efficiency. To achieve practical results, efforts should be made to combine the activity of rationalization proposals with "quality, variety, and efficiency" activities, and to arouse the broad masses of workers and staff members to concentrate their efforts on enhancing quality, in light of the local conditions of their own localities, units, and enterprises, develop new varieties for the purpose of increasing efficiency, and reduce material consumption. Proposals concerning all fields, including technology, organization, and management, should be most welcomed. It is also necessary to integrate the activity of rationalization proposals with the work of enhancing the quality of enterprises as well as that of workers and staff members, with an aim to enhance the quality of rationalization proposals on a constant basis. Once the quality of rationalization proposals is enhanced, the technical and management progresses of enterprises can thus be stepped up, and the quality of enterprises will undoubtedly be enhanced.

3. To further promote the activity of rationalization proposals, leading cadres should enhance their own quality and adapt themselves to the needs of the current situation. Since reform and opening up, the activity of rationalization proposals has displayed the following new characteristics: 1) Awareness of relying on technological progress has been strengthened; 2) the educational quality of workers and staff members has been relatively enhanced; 3) scientific management experience and new technologies introduced from foreign countries in recent years have helped to broaden the vision and thinking of workers and staff members;

4) people have generally concerned themselves with changing situations and new problems emerging during enterprise reform, economic improvement, and rectification; and 5) thanks to the strengthened political and ideological work, the socialist ideological understanding of workers and staff members will continuously be enhanced, and the activity of rationalization proposals and technical

innovation will be conducted on a more macroscopic basis. We believe that these new characteristics will give shape to a new system with a higher starting point, greater participation and momentum, desirable results, better economic efficiency, richer content, and a broader scope. Leaders should guide the entire process with higher ideological levels, better art of leadership, and greater professional capacity. Leading cadres at all levels should enhance their own quality on a constant basis, earnestly strengthen their leadership and guidance, refrain from practicing formalism, study and solve problems in a planned and systematic way, and push the activity of rationalization proposals to new heights. With special advantages in mobilizing and organizing masses of workers and staff members to carry out the activity of rationalization proposals, trade unions have made remarkable contributions and accumulated a lot of good experience in China's economic construction as a whole. Relevant governmental departments at all levels have also accomplished a lot of solid and effective work in order to push forward this activity. In the future, trade unions and planning and economic restructuring commissions should act in close coordination and make continued efforts to strengthen leadership of this activity.

Let us unite as one, vigorously carry out the mass activity of rationalization proposals and technical innovation under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, and strive to fulfill successfully this year's various tasks and attain the grand goal of the 10-Year Program and the Eighth Five-Year Plan.

Zou Jiahua, Others Inspect Huanghua Port

SK2504065491 *Shijiazhuang HEBEI RIBAO*
in Chinese 20 Mar 91 p 1

[By Shu Lan (3219 5695) and Gao Wei (7559 0251): "State Councillor Zou Jiahua Inspects the Site of Huanghua Port"]

[Text] From 18 to 19 March, Zou Jiahua, state councillor and minister in charge of the State Planning Commission, went to Cangzhou Prefecture to inspect the site of Huanghua Port. Also going to Cangzhou with him were Ye Qing, vice minister in charge of the State Planning Commission; Huang Zhendong, minister of communications; and comrades of pertinent departments under the State Council.

Provincial Leaders Xing Chongzhi, Cheng Weigao, and Ye Liansong accompanied Zou Jiahua and his entourage on their inspection tour.

Arriving in Cangzhou on the afternoon of 18 March, Zou Jiahua and other leading comrades listened to the situation concerning the basic research and the pre-phase preparations for the building of the port which will be used to export the coal of Shenmu coalfield. Ye Liansong, executive vice governor of the province, made an overall report on this work. He said: When building a port in Huanghua Prefecture to export the coal of

Shenmu coalfield, the geographical position is appropriate, and the overall strategic distribution is reasonable. Additionally, building a port here will facilitate reasonable development of the land and will help narrow the economic development gaps between different regions. Thanks to the good natural conditions of the site of Huanghua Port, it is completely technologically feasible for us to build a large deepwater port. At Huanghua Port, railways are linked to waterways, and thus construction of the port can be completed in one stage. As a result, this project requires fewer investments, operation costs will be low, and will yield better economic efficiency. Construction of road and port facilities can be conducted simultaneously, and the period of construction can be guaranteed. The course of the railways is reasonable and will not affect the work of flood prevention, thus helping ensure the safety of Shoudu and Huabei Oilfields and of Tianjin. With vast sea and land areas, the site of this port is provided with a large area for development and with a large environmental potential, and will be less affected by pollution. Because this port will help exploit the initiative of the localities, the province, and the related prefectures, cities, and counties will provide preferential conditions from various fields, and will go all out to support the construction of this key state project.

Zou Jiahua also conscientiously listened to the opinions and proposals offered by pertinent specialists who were conducting pre-phase preparations for building Huanghua Port, and inquired in detail about the matters related to technology. Zou Jiahua affirmed the enormous amount of work done for the construction of the port. He said: Even before the state formulates any plan for this project, Hebei Province has already done a great deal of incisive and painstaking preparations for the pre-phase construction of this project, and the briefing on this project made by the province does not remain on paper but is based on the vast amount of scientific data. The briefing is very convincing and successful. I hope that in the future greater efforts will be made to achieve success in this work.

Ye Qing, vice minister of the State Planning Commission, Huang Zhendong, minister of communications, and Wang Chuanjian, president of the China Huaneng Enterprise Group, respectively offered their opinions on the significance of guidance.

On behalf of the people throughout the province, Xing Chongzhi and Cheng Weigao expressed their aspiration and determination to support the construction of this key state project.

On the morning of 19 March, Zou Jiahua and his entourage went to the site of Huanghua Port to conduct an on-the-spot survey. Comrade Zou Jiahua zestfully said: In the future, when the construction of the port is completed, and when a power plant is built, it will probably be possible for Huanghua to build dikes to reclaim land from the sea.

Beijing Shoppers Beat Price Rise Deadline

HK2504013691 Hong Kong SOUTH CHINA MORNING POST in English 25 Apr 91 p 10

[By Geoffrey Crothall in Beijing]

[Text] Thousands of people stayed away from work in Beijing yesterday to stock up on supplies of grain and oil before price rises are introduced on May 1.

The price of good quality grain is set to increase by 10 fen (14 HK cents) to 30 fen per 500 grams and cooking oil to more than double from 80 fen to about 2.20 yuan for a 500 gram bottle.

Long queues started forming outside grain markets and food stores early yesterday after news of the price rises was broadcast on Beijing television.

Despite special shipments having been brought in from grain depositaries from around the city many grain markets had sold out by early evening.

At the Sanlitun grain market in the northeast of the city at least 30 people were still queuing for supplies at 5 pm, many walking away with 15-kilogram sacks of flour, the maximum purchase allowed per month for one person.

There were no restrictions on the sale of oil however and several people were seen loading vast containers on to tricycles.

The new grain and oil prices will eventually lead to rises in the price of grain-based products such as bread, noodles and soya sauce and many of these products were also disappearing from the shelves yesterday.

Most people at the Sanlitun grain market were not overly concerned by the price rises however.

One woman who had been queuing for more than half-an-hour said: "I think it's a good thing.

"Grain prices have been kept too low for too long so it is only right that they should be increased," she said.

"Anyway, I heard that grain allowances will be increased by six yuan a month so the effect won't be that bad," she added.

"There are ample supplies of good in Beijing right now and most families can afford the new prices but it is still a good idea to buy as much as you can before May 1," she said.

One Communist Party member however was arrested on Tuesday for trying to buy 3,000 kilograms of dried noodles at a central market, according to yesterday's Beijing Evening News.

The party member, Shen Yuqiang, had earlier bought 3,000 kilograms of dried noodles which he planned to sell on the open market once the price rises went into effect.

Price Hikes Detailed

HK2404115491 Hong Kong AFP in English 1121 GMT 24 Apr 91

[Text] Beijing, April 24 (AFP)—Chinese rushed to state shops Wednesday to stock up on grain and other staples after the government announced nationwide price rises for nine basic foods starting May 1.

A government circular posted at state-run stores announced that the price rises would cover grain, flour, cooking oil and baby food.

The adjustments signalled the government's intention to bring prices more in line with the market to reduce its heavy burden from spending billions of dollars each year in subsidies.

Grain prices will increase by an average of 0.20 yuan (four cents) per kilogram while prices for edible oils will go up 2.70 yuan (50 cents), the circular said. China's main staple, rice, will cost 1.90 yuan (36 cents) per kilogram.

Beijing residents rushed to buy grain before the May 1 deadline despite the circular's call for officials to prevent panic buying and disruption to social stability.

A saleswoman at a state-run store in Beijing's western district said sales of grain were 10 times the normal volume.

The circular banned using next month's grain tickets to buy grain from April 25 to May 1. Chinese are usually allowed to use tickets for the upcoming month to purchase grain in the last five days of the previous month.

The new rule appeared aimed at preventing a repeat of the panic buying that hit the country in 1988 when China experimented in freeing prices.

The increases were the first sign since an anti-inflationary austerity campaign began in late 1988 that China was planning to gradually institute price reforms in basic goods.

Each worker will receive an extra six yuan (1.13 dollars) in food subsidies starting from May 1 to make up for the price hike, the circular said. But as customers left the store with sacks of grain slung over their shoulders, one worker said in disgust: "It will not be enough."

Many Chinese, who are used to buying cheap subsidized staple goods, expressed their dissatisfaction with the price increases, an official said. "Many people were intensely opposed to it," said the official, who is responsible for grain distribution for his neighborhood.

The Chinese Government has said in recent months that it intended to free up prices of staple goods to try to bring prices more in line with the market.

The state currently buys contracted grain from farmers and sells it to urban residents at artificially low prices. It has set aside 33.32 billion yuan (6.28 billion dollars) for price subsidies this year, down 13 per cent from 1990.

Farmers have turned to more lucrative cash crops because of the low state prices. Officials have warned that the trend threatened to disrupt China's goal of raising annual grain output to 500 million tons in the year 2000 from last year's record 425 million tons.

Cadre Appointment System Viewed

HK2404141791 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 15, 15 Apr 91 Pp 9-10

[(Article by staff reporter Fang Zheng [2455 2398]: "China Institutes Cadres' Examination and Appraisal System")]

[Text] China is carrying out actively, steadily, and broadly a system of examination and appraisal as it pursues the reform of its personnel system which forms an important part of the political structural reform.

This reporter learned from the central Organization Department and the Ministry of Personnel that an examination and appraisal system as well as a hiring system have been established in party and state organs and in institutions in most provinces and cities around the country, especially those below prefecture and city level. At the same time, central departments and commissions as well as provincial and city governments are gradually introducing a new method of open staff recruitment as well as a system of examination and appraisal of cadres according to different ranks and categories. This system as applied to high-ranking ministry and provincial level cadres is becoming more scientific and perfect.

"Examination" is the Key Word in the Fair Competition.

In the past, university, secondary, and technical school graduates in the mainland were often given a "job assignment" which was for life. The job assignment often did not meet with the graduates' own wishes. Owing to the prevailing unhealthy social practice, "going through the backdoor" in search of work became popular; consequently, a saying here goes: "Better to have a good father than to be a good student." In recent years, though, this disease has been gradually overcome.

In 1989, the central Organization Department and the Ministry of Personnel jointly issued a document explicitly stipulating that in recruiting and hiring staff members, administrative organs at all levels should insist on adopting the examination and appraisal method. Subsequently, all provinces, cities, and autonomous regions as well as central state organs began to steadily promote the system of recruitment through examination on an experimental basis.

Take the province of Shandong as an example. In 1988, the Shandong provincial party committee's organization department and bureau of personnel recruited employees on an experimental basis for newly-created organs directly under the provincial government such as

the inspection office and the auditing bureau and for certain local, city, and county organs. They then further expanded the coverage of the experimental system. In 1990, a total of 4,173 persons were recruited through examination in the province, an increase of 2,583 over 1989. The departments where examinations were required totalled 1,374, an increase of 798 over 1989.

Because the town and village cadres in the mainland have direct contacts with the peasants, they may not "rank" very high in the hierarchy but they do have a lot of responsibility. In the past, town and village cadres were rarely recruited from among local peasants. Today, ordinary peasants may be recruited following an examination. At the end of 1990, the province of Hunan employed a total of 18,000 town and village cadres, with roughly 3,500 of them assuming leadership positions. According to the Hunan bureau of personnel, the "secret" of their examination and hiring of town and village cadres may be described in 14 words: Face the countryside, open registration, unified examination, overall appraisal, and hiring on merit only.

The examination and appraisal system and the merit system have also been gradually instituted in all ministries, commissions, offices and bureaus of the State Council—the highest administrative organ in the mainland—where the principles of openness, equality, competition, and selection of the best are observed. At present, more than one-third of all state organs have instituted an "examination system" for screening aspiring cadres. In 1989, the State Statistical Bureau recruited 27 staff members from among 199 persons who registered with it. In 1990, it took in 49 persons from among 595 candidates.

The responsible person at the examination and recruitment division of the Ministry of Personnel pointed out: The effect and significance of the recruitment of cadres by the merit system by state administrative organs lies not only in the selection of outstanding personnel, but more importantly, we are presently instituting a fine mechanism which guarantees fair competition and the selection of the best and elimination of the mediocre. This will have a positive effect in spurring on the discovery of outstanding personnel and of preventing various kinds of unhealthy practices on personnel matters. Selection, Competition and Promotion. [subhead]

The cadres appointment system prevailing in the mainland in the 1950s was formulated to meet the needs in the development of the economy at the time. The growth of the socialist planned commodity economy has increasingly exposed its flaws, the biggest of which was the lack of explicit scientific standards in the appointment of cadres. For instance, given the kind of academic, work, and personal qualifications that a county head should possess, it was hard to name a different set of qualifications for a mayor. Appraisals of county heads and of mayors which were submitted to superiors were

often similar and could hardly provide a scientific assessment and evaluation of the candidate cadres' suitability to the position.

In the absence of scientific methods and ways to test and evaluate cadres, the element of subjectivity increases, making it almost always impossible to avoid unhealthy practices in the promotion of cadres. The Chinese people have given a very colorful description of the process: "If they say you are alright, you are alright even if you are not; if they say you are not alright, you are not alright even if you are." A narrow vision also caused some leaders to be familiar only with people around them. Hence, they would first think of these people or of their fellow villagers or classmates when making appointments. Furthermore, cadres can only be promoted and never demoted, hence the number of cadres in the mainland rises unabated.

Within the CPC, everyone from top to bottom is of the view that the flaws in the cadre system should be corrected. According to the concerned departments, since the 13th CPC Congress the reform of the cadre and personnel system has been making steady progress.

News from the northeastern Chinese province of Liaoning has indicated that since 1989, the province has conducted three recruitment and appointment examinations for section level cadres at 62 bureau- and division-level units. The result was that 1,816 cadres took part in the three tests, and 1,333 section-level cadres were drafted by the principal units on the basis of merit. Many section-level cadres were rehired after passing the test, but among the 400 who did not make it, 166 of them were former section-level cadres. Xu Yansheng, head of the bureau of personnel in Liaoning, pointed out: Implementing a system of recruitment and appointment examinations for middle-level cadres in government organs will provide a better solution to the problem of cadres being subject to promotion only and never demotion, contribute to voluntary self-improvement of the cadres and their efforts to complete their jobs, and at the same time, it will be useful in overcoming the unhealthy practices connected to the appointment and hiring of cadres.

In accordance with the principles of moral and professional integrity, openness, democracy, competition, and emphasis on actual performance, the State Statistical Bureau in 1990 promoted 10 division-level cadres and 49 section-level cadres after following the process of public announcement of job vacancies and required qualifications, democratic recommendations, evaluation of qualifications, personal interview, examinations, and overall assessment. After going through the multi-level selection and competition, cadres who were promoted or appointed often became more committed to the organization and to the people and could feel the increasing weight of their responsibilities. Even those who failed in the competition became aware of their limitations after the "test" and had a clearer idea of their future course of action. In short, after strict examination and appraisal, the cadres realized that being a truly competent leader is

not an easy job. Top-Level Leaders Subject to Examinations and Appraisal at the End of the Year. [subhead]

The examination and appraisal system that the mainland is conducting in the reform of its cadres system is a very complex "project." The CPC Organization Department and the Ministry of Personnel have consistently maintained: Examination and appraisal of cadres are intended to provide an understanding and make full use of the cadres, create an accurate foundation for the training and education of cadres, and eventually, to mobilize the work initiative of the cadres by inspiring them to work harder and raise their work quality and efficiency.

It is for this reason that the CPC will also introduce year-end examination and assessment of provincial and ministerial leaders. Take the Ministry of Civil Affairs as an example. At the beginning or end of each year, cadres ranging from the ministers to ordinary cadres have to take part in a year-end comprehensive examination. The tests cover moral integrity, competence, industry, and leadership, and are conducted by following this process: Individual performance, assessment by the people, evaluation by leaders, selection of the best, and elimination of the mediocre. Individual performance refers to the report made by the leading cadre himself to the superior organization and the subordinate staff regarding his work performance for the year. For instance, Cui Naifu, Minister of Civil Affairs, and the various deputy ministers mainly reported on their functions at a ministry meeting attended by responsible persons from all divisions. After listening to the reports, direct and indirect commentaries are made. The evaluation records are compiled and submitted to the personnel department of the superior organization. High-ranking CPC cadres who are responsible to and are appointed by the central organization department are also subject to examination and appraisal.

According to an authoritative person from the organization and personnel departments, the central Organization Department and the Ministry of Personnel in 1989 jointly issued the "Plan for Annual Examination and Appraisal of Leading Cadres at Section Level in Central State Organs" and set up for the first time a proper examination and appraisal system of leading cadres at division and section level in central state organs. Based on the implementation of this "plan," new and more comprehensively scientific methods of examination and appraisal will be gradually introduced.

Combating Corrupt Practices Encouraged

HK2504093791 Beijing RENMIN RIBAO
in Chinese 23 Apr 91 p 3

[Commentator's article: "Continue To Struggle Against Negative, Corrupt Phenomena"]

[Text] While emulating the deeds of Comrade Fu Xianzhong, fine party propagandist, many people said that Communist Party members should follow his example in

waging active combat against negative and corrupt practices in the party. Indeed, Comrade Fu Xianzhong has set an example for us in this respect. This ordinary party-member peasant always remembers that he is a "party man" and should "do his best for the party." In the face of all kinds of negative and corrupt practices, he stands firm, impartial, and incorruptible, thus preventing unhealthy tendencies from sweeping over his Sanlitun village.

Since the Fourth Plenary Session of the 13th CPC Central Committee, party members in the higher authorities and at the lower levels have cooperated with each other and concentrated on improving the party's style and building a clean administration. They have made gratifying achievements. But we should also understand that combating negative and corrupt practices is a long-term task. Following the deepening of reform and opening up, the struggle against corruption will take on new features. We should have a full understanding of the arduousness and complexity of the struggle against corruption in this new situation.

The reason our party has not weakened in prolonged combat is that it has the ability to constantly remove all its unhealthy tendencies and to preserve its vigorous and exuberant combat worthiness at all times. If negative and corrupt practices are allowed to grow and spread unchecked, this could ruin the party's healthy body and cause the serious consequence of divorcing itself from the masses. In viewing whether or not the party represents their interests, the masses judge by its action rather than by its propaganda and slogans. What they are most sensitive and concerned about is the activities of party organizations and party members, which they clearly and directly see every day. The actual responses of party organizations and party members to negative and corrupt practices directly affect the masses' appraisal and attitude toward our party. This suggests that combating negative and corrupt practices is an extremely important political issue.

Combating negative and corrupt practices is not an easy matter and requires the efforts of the entire party and people. This is because corrupt practices are complicated social phenomena. Although sometimes these occur individually, they should not be taken as isolated problems, still less should they be resolved in an isolated manner. They should be resolved with a full set of methods in a comprehensive way. Therefore, we should not shirk our responsibility or complain about each other in rectifying unhealthy tendencies and eliminating corrupt practices in the party. Instead, we should act in coordination and proceed from ourselves in creating a "small environment" and a "microclimate." Let us sweep away the "snow in front of our doors" by ourselves, instead of waiting for or relying on others to do it. All Communist Party members, no matter what their positions, have the duty to fight negative and corrupt practices.

We hope that all Communist Party members will learn from Comrade Fu Xianzhong. First, they should be

brave in exposing, opposing, resisting, and combating all kinds of negative and corrupt practices and unhealthy tendencies. Second, they should be active in making suggestions to party organizations and discipline inspection departments. Third, they should run a clean administration, exercise self-control, and be examples and models for others to follow. Fourth, they should teach and help others to serve the people heart and soul, to improve the ability of resisting the decadent ideas of the exploiting class, and to become the people's genuine servants who do not infringe on others' interests, who do not engage in corruption, and who are free from dissoluteness. As long as all Communist Party members strive toward this end, it is certain that there will be a turn for the better in the party's style and the general mood of society.

Local Customs Urged To Combat Drug Smuggling

HK2504045191 Beijing CHINA DAILY
in English 25 Apr 91 p 1

[By staff reporter Liang Chao]

[Text] China's customs authorities have urged local customs agencies to intensify their fight against the growing problem of smuggling, especially in the south-east coastal regions, CHINA DAILY was told.

Efforts should be made to improve both the anti-smuggling intelligence and inspection by the local customs agencies to stamp out the illegal operation, officials emphasized.

During the first quarter of this year officials for the Customs General Administration (CGA) said yesterday, the amount of drugs smuggled into the mainland multiplied, as did the number of smuggling cases.

In the January-March period, a head of the CGA's investigation department claimed that "remarkable success was achieved in blocking drug trafficking from the Golden Triangle a traditional channel for smugglers."

In the first three months of 1991, according to the latest statistics released by the CGA, customs authorities uncovered 13 cases of drug trafficking involving more than 30 kilograms of drugs.

The 13 cases uncovered marked a significant increase from the same period last year. The amount of drugs confiscated in the first quarter of 1991 was double the amount for the same period in 1990, the CGA's anti-smuggling experts said.

The experts pointed out in a special report that new trends in smuggling have surfaced in the recent drug cases.

Drugs of different kinds, including some of the world's most popular psychedelic drugs such as "ice," were found to have been trafficked into the mainland through China's southern borders.

Customs personnel captured a man from Hong Kong on March 24 in South China's Kowloon Customs, when he attempted to carry 31.5 kilograms of "ice" out of the mainland.

Current drug-trafficking channels have expanded from the traditional individual carriers to include freight transportation and especially smuggling at sea.

Meanwhile, cases of drug-trafficking on land, mainly using cars or trucks, have been increasing.

Analyses made by anti-smuggling experts show that most of the drug traffickers have connections with international smuggling groups.

Many smugglers captured by the CGA during the first three months of 1991 had been hired by well-organized international groups, experts said, declining to give more details.

All-China Trade Union Awards Announced

HK2504055991 Beijing CHINA DAILY
in English 25 Apr 91 p 1

[By staff reporter Wang Rong]

[Text] The All-China Federation of Trade Unions, the legal protector of its over 101 million union members, will grant 1991 May 1 Labour Medals to 1,047 outstanding workers, administrative and technological personnel and 331 units from throughout the country.

The awards were announced yesterday at a news conference chaired by the federation's vice-chairman Zheng Wantong, to prepare for the annual celebration of May 1, International Labour Day.

The award ceremony will be held on April 29 as part of the celebration of the 160th International Labour Day at the Great Hall of the People.

Some 3,500 people are expected to attend the ceremony, including 64 representatives of the medal winners and union delegations from Hong Kong, Macao, Taiwan and some foreign trade unions.

Zheng briefed the media about the accomplishments of trade unions across the country over the past year.

Compared with 1989, the number of grassroots trade unions in 1990 had increased by nearly 3 percent. Marginal increases were found in joint-ventures, foreign businesses and individual run enterprises.

Encouraged by trade unions, workers have been getting more active in giving suggestions concerning technical innovations and managerial and administrative policies.

In 1990, over 300,000 enterprises received some 20 million such suggestions from workers and 42 percent have been adopted, resulting in a total 20 billion yuan (\$3.8 billion) increase in income for the enterprises, according to Zheng.

In 720,000 State-run enterprises last year trade unions represented their member employees in signing the worker-manager contracts, 5,500 more than 1989. Nearly 80 percent of the contracts have been carried out.

Official Cites Progress in Ethnic Affairs

HK2504080191 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 13 Apr 91 p 5

["Dispatch," by reporter Li Dejin (2621 1795 6855): "Wu Jinghua, Vice Minister of State Nationalities Affairs Commission, Cites Epoch-Making Changes in Nationalities-Populated Areas"]

[Text] Beijing, 12 Apr (RENMIN RIBAO OVERSEAS)—Speaking at a conference commending central state organs for promoting national solidarity and progress, Wu Jinghua, vice minister of the State Nationalities Affairs Commission, said: Over the past 40 years, by integrating the fundamental principles of Marxism with the existing realities in China, the CPC was able to formulate a series of correct guidelines and policies which led to profound epoch-making changes in all aspects including politics, economics, and culture to the minority nationalities and to the regions they inhabit. In particular, since the Third Plenary Session of the 11th CPC Central Committee and the shift in the focus of the party's work, our country's ethnic affairs work has revolved around economic construction and has upheld the four cardinal principles as well as reform and opening up, producing an excellent situation never seen before. This is primarily manifested in the following areas:

—Emphasis on ethnic affairs work by the entire party and the entire country. In line with directives from the central authorities, all provinces, autonomous regions, and municipalities laid stress on ethnic affairs work and adopted a series of measures to actively develop the political, economic, and cultural endeavors of the minority nationalities, and in so doing scored great achievements. The central state organs actively took the lead in carrying out ethnic affairs work, and whether in legislation or in the formulation and implementation of various concrete policies, they always paid attention to the uniqueness of the nationalities-inhabited regions and stepped up support and assistance to them, which was much welcomed by the people of all nationalities.

—The rights of the minority nationalities as their own masters were further guaranteed. At the Seventh National People's Congress, delegates from minority nationalities made up 14.9 percent of the total number of delegates, a figure higher than the proportion of the country's minority nationalities in the entire population. Whether it be the minority nationalities who live together or those distributed in villages and cities across the country, their rights to equality have received further legal guarantees. By the end of 1990, of the 55 minority nationalities in the country, 45 of them have already established their own autonomous areas and exercise the right to autonomy. The area under autonomous rule makes up 64 percent of the

country's total land area. In addition, more than 1,500 nationalities villages have been created.

—The economic and cultural construction in nationalities-inhabited regions has developed fairly rapidly, while the economy has realized its goal of doubling its output. In 1989, the total social output value and total industrial and agricultural output value of five autonomous regions and the three provinces of Yunnan, Guizhou, and Qinghai, where a large number of nationalities are found, were 257 billion yuan and 216.74 billion yuan, respectively, an increase of 139.3 percent and 132.6 percent over those of 1980. From 1981 to 1989, average annual growth rates were 10.2 percent and 9.8 percent, respectively; financial income was 19.859 billion yuan, an increase of 375.7 percent over that of 1980; per capita net income of peasants was 473.6 yuan, a 179.7 percent increase over 1980 and 43.8 percent increase over 1985. Border trade in nationalities-inhabited regions underwent new development as the volume of trade rose drastically. Furthermore, great advances were also made in the cultural, educational, scientific and technical, health, sports, and other endeavors in the nationalities-inhabited regions.

—Stability in the nationalities-inhabited regions. In light of the tumultuous international situation, hostile forces both at home and abroad and the "peaceful evolution" and sabotage carried out by an extremely small handful of splittist elements, the people of all nationalities in our country cherish the political situation of stability and unity, believe firmly in the leadership of the CPC, and uphold the socialist path. Unity among the different nationalities in our country has withstood the tests of many storms.

—Growing consolidation and development in the socialist relations among nationalities. Mass-originated activities promoting national unity and progress have intensified. The continuing emergence of advanced collectives and individuals promoting national unity and progress also shows that relations among nationalities in our country are excellent. With equality, unity and cooperation, mutual emulation, and assistance among the different nationalities, a new type of socialist relations among nationalities continues to be consolidated and developed.

Tourism Activities for 1992 Promoted

OW2504143991 Beijing XINHUA in English
1104 GMT 25 Apr 91

[Text] Beijing, April 25 (XINHUA)—Liu Yi, director of the China National Tourism Administration, announced today that China is ready to stage "Visit China 92" next year in an effort to attract more foreign tourists.

In his address to the opening ceremony of the 21st World Tourism Organization (WTO) East Asia and the Pacific Commission meeting, Liu said the central and local governments in China will conduct a series of nationwide, as well as local, activities. In addition, he said the

country will offer a large variety of tourism products and high quality services in the coming year.

Liu said China has a long cultural history and is a land dotted with scenic spots, places of historic interest and natural sights. In addition, a variety of unique features, as well as a famous cuisine and traditional arts and crafts can be found throughout the country. At present, China's tourism infrastructure is complete and service conditions have improved dramatically. Since the country is stable and individual safety is assured, China is an attractive tourist destination, according to Liu. As part of its effort to further cater to the differing needs of overseas tourists, China will form a unique tourism product system consisting of national, special and provincial tourist attractions, he said.

Liu told the 50 Chinese and foreign tourism officials attending the meeting that China will establish service and inspection standards for travel agencies and tourist hotels, as well as for bus and coach companies. Tourists complaints will be heard and settled as part of the effort to improve and guarantee service quality.

During the two day WTO regional conference, Chinese and foreign representatives will also discuss possible changes in tourism demand in the Asian and Pacific region during the 1990s.

CPC 'Leaked' Rumors of Possible Earthquake

HK2204035291 Hong Kong PAI HSING
in Chinese No 238, 16 Apr 91 p 3

[Article by Pi Tsai (3968 1363): "Hearsay of Possible Earthquake Comes From CPC Central Committee"]

[Text] On the evening of 12 March, my son returned from the newspaper office. At the dinner table, he was nervously whispering with his mother as if discussing a major emergency. As I had a heart disease, I preferred not to hear exciting news long ago. Being on tenterhooks the whole night, my wife eventually consulted me the next day, saying: "It is said that there will be a major earthquake in Beijing. What are we to do?"

The news came from a news unit, to the effect that an earthquake measuring over 6.5 on the Richter scale would hit somewhere between Beijing and Zhangjiakou between 15 and 17 March. This made me recall that, after the major Tangshan earthquake in 1976, some seismologists predicted that the earth's crustal movement in northern China was still developing and they determined that the stratigraphic rupture was moving toward the middle of the Yanshan Mountains, i.e., the northwest part of the triangular area between Beijing, Tianjin, and Tangshan, with the earthquake's epicenter probably in Beijing's suburbs. It was determined at that time that a strong earthquake would probably hit Beijing in 10-15 years.

This year is precisely the 15th anniversary of the Tangshan earthquake. For the more than 5 million residents

in Beijing proper, it was no coincidence that they should be alarmed by the prospect of a major disaster. Some time ago, a friend of mine brought me a book called "Horoscope for the Year of the Ram," which was published in Hong Kong. According to this geomancer, a sinister star named "wu huang" will descend on the north this year and, therefore, northern China will suffer disaster. I was skeptical about it.

The news of a possible earthquake came so suddenly that I did not know what to do. So, I paid attention to meteorological forecasts. I remembered that before the major earthquake struck Tangshan, there were unusual climatic phenomena. Just as we Beijing residents suffered wretchedly at the hands of the "gang of four," we were subjected to a spell of heatwaves. In those few days, it was so hot and suffocating that everything was hazy on a fine day. But nobody ever thought of a strong earthquake. So this time I paid close attention to the weather forecasts on television and in the newspapers. It was discovered that after a spatter of rain with snow on 13 March, the temperature rose drastically from below zero to 13 degrees Celsius in three days. By 17 March, it was over 15 degrees. Although the weather was not hot, we were depressed. There was very little wind (normally spring is a season of strong winds and sands), and the wind direction was always northerly to southerly winds one day and southerly to northerly the next. I was obviously a bit worried and agreed that my wife should make early preparations for an emergency.

We made the best use of our time to buy emergency supplies but the banks, savings banks, nonstaple food arcades, and cereal and edible oil shops were unexpectedly thronged with people. Not only was there panic buying of bread, instant noodles, biscuits, and canned food, but even toilet paper, matches, and candles were urgently sought. When I closely observed the crowds queuing up for goods and hurrying to and fro with small and big packages, I noticed that most of them were unusually reticent. They neither commented nor quarreled but there was an expression of loss that could not be concealed. I was by no means a well-informed person and I could not but marvel at the omnipotent "mass media" in a country devoid of press freedom.

All kinds of hearsay multiplied in streets and alleys, eventually forcing the authorities to issue a short "news" item in the form of an announcement, saying that "the hearsay that there will be a major earthquake in Beijing is groundless" and claiming that "the State Seismological Bureau and its subordinate units did not give such a forecast." It was referred to as "hearsay" but not refuted as a "rumor." There is no smoke without fire. Where did the hearsay come from? According to regular practice, we can only look for the origin from the top hierarchy or the circle close to senior officials. And I did find something.

It so happened that early this year, the CPC Central Committee and the State Council issued, to units at or above provincial and army levels, a top secret document

on taking emergency precautions against a strong earthquake that would strike the Beijing area. Obviously, the document was issued according to reliable intelligence given by the seismological monitoring and supervisory unit. It is said that before the Tangshan earthquake, the State Seismological Bureau had also sent information to the central authorities. However, because the "gang of four" was busy engaging in a power struggle, they did not take the people's lives and deaths to heart, thus resulting in a tragic incident in which 1 million people were killed or injured. With this bloody historical lesson still fresh in peoples' memories, could the Chinese authorities afford not to be vigilant?

During the last 10 days of September last year, when the Asian Games were in progress, a medium earthquake, reportedly measuring 4 on the Richter scale, hit Shahe Township, 30-odd km away from the newly built Olympic village; city residents felt the tremor. Although the authorities imposed a blackout, they could not but have misgivings and stepped up monitoring and precautionary measures.

But how did it happen that a top secret central document leaked out? It was learned that the leakage was due to grumbles by children of some senior cadres after the Spring Festival. It so happened that before the Spring Festival, the eight party elders, contrary to their routine practice, had taken their family members elsewhere to spend the Lunar New Year. This incurred the discontent of some second-level party elders who had no privileges, thus breeding the rumors about "fleeing the earthquake." This was corroborated by television and newspapers, from which ordinary people could see shots of Deng Xiaoping in Shanghai. On the other hand, Wang Zhen and Song Renqiong went to Guangdong, and Peng Zhen stayed in Hangzhou. However, Chen Yun and Li Xiannian respectively moved to Hangzhou and Shanghai long ago to take care of themselves. Only Yang Shangkun and Li Peng stayed behind to guard Beijing. The two state leaders appeared on television almost every day and constantly told visiting Third World state leaders: The situation in China is excellent.

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CPC Studies CAPD Proposal on Education

OW2404170091 Beijing XINHUA in English
1431 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—The General Office of the Central Committee of the Communist Party of China (CPC) recently wrote a letter to the Central Committee of the China Association for Promoting Democracy (CAPD), thanking it for its constructive proposal.

The CAPD Central Committee submitted a proposal on the development of secondary technical and vocational education to the Secretariat of the CPC Central Committee in the latter half of 1990. The proposal was based on extensive investigations conducted by CAPD members.

The proposal, which consisted of eight points, urged leading government officials at all levels to attach great importance to secondary vocational and technical education while speeding up the formulation of laws and regulations and increasing investment in this regard.

The State Education Commission studied the proposal point by point, took the valuable suggestions into consideration when drawing up the relevant documents, and informed the CAPD Central Committee what it had done in a return letter.

China has eight non-communist parties. The CPC adheres to the system of multi-party cooperation under the leadership of the CPC. The communist party consults with non-communist party members and noted persons without party affiliation on important government issues.

In addition, the non-communist parties also voice their opinions on government policies and problems existing both in the state and the communist party through various channels.

Bookstores To Distribute NPC Documents

OW2204045991 Beijing XINHUA Domestic Service
in Chinese 0912 GMT 19 Apr 91

[Text] Beijing, 19 Apr (XINHUA)—The "Report on the Outlines for the 10-Year National Economic and Social Development Program and the Eighth Five-Year Plan" made by Premier Li Peng at the Fourth Session of the

Seventh National People's Congress (NPC), has been published in single edition by the People's Publishing House and will be distributed through XINHUA bookstores in all localities from 20 April.

The book contains the Fourth Session of the Seventh NPC's Outlines for the 10-Year National Economic and Social Development Program and the Eighth Five-Year Plan, resolutions adopted on reports of the outlines, as well as the text of the outlines.

The Nationalities Publishing House will be publishing the book in Mongolian, Zang, Uygur, Khazak, and Korean.

Collections of documents of the Fourth Session of the Seventh NPC and the Fourth Session of the Seventh National Chinese People's Political Consultative Conference (CPPCC) will also be published separately by the People's Publishing House.

Science & Technology

Yang Shangkun Visits High-Tech Exhibition

OW2304203791 Beijing XINHUA Domestic Service
in Chinese 1425 GMT 23 Apr 91

[Text] Beijing, 23 Apr (XINHUA)—Yang Shangkun, Song Ping, Qin Jiwei, Wang Bingqian, Song Jian, Zhou Peiyuan, Qian Weichang, and other leading comrades visited a high-technology exhibition this evening. The exhibition is sponsored by the State Science and Technology Commission to mark the fifth anniversary of the high-technology research and development plan (Program 863).

Yang Shangkun and other comrades viewed the artifacts, pictures, and written explanations reflecting the fruitful results achieved by Program 863 in biotechnology, information technology, automation technology, energy technology, and new materials during the Seventh Five-Year Plan, and were briefed by the scientific and technical personnel on the site about specific projects. Yang Shangkun and other comrades praised the large number of scientists and engineers for exerting their utmost to follow the track of strategic high technology in the world and to reduce the gap with the advanced level abroad. The leaders also encouraged the scientists and engineers to scale new heights in developing high level technologies in China.

Yang Shangkun, after being briefed about the non-inoculation immunity method developed by Liu Rongxiu of Shenyang Agricultural University from her theoretical research on chicken embryos, told the researcher with a sense of humor: "You didn't look for a bone in an egg, but you have found gold in an egg."

High-Tech Development Program Detailed

HK2404021191 Beijing CHINA DAILY in English
24 Apr 91 p 1

[By staff reporter Li Xing]

[Text] Encouraged by the achievements of hi-tech research over the past five years, the Chinese Government is set to launch a series of new research and development projects aimed at solving key technical problems in the next five years, officials said.

These new projects will be centred on bio-technology, space, information processing, lasers, automation, energy and materials research.

The government will sponsor the establishment of several high-tech research centres and help accelerate the wide application of research results, thus stimulating the country's economic development, said Zhu Lilan, vice-chairman of the State Science and Technology Commission.

The government will also encourage co-operation between Chinese scientists and their counterparts abroad, she said on Monday at the opening of a national seminar appraising the achievements of the country's foremost high-tech development programme, the 863 Plan.

The 863 Plan, which covers many national high-tech research projects, was initiated by four leading scientists in March 1986, and approved by Deng Xiaoping. It has been included in the country's Eighth Five-Year Plan (1991-95) and the 10-Year Development Programme (1991-2000).

So far, newly-established research centres have undertaken projects to develop computer integrated manufacturing systems, artificial intelligence programmes, applications of artificial intelligence to robotics, and genetic engineering, she said.

Chinese scientists have also established a joint-research programme with the New York-based Rockefeller Foundation to probe new methods of obtaining better rice strains, she said.

During the Eighth Five-Year Plan, Chinese scientists working under the 863 Plan will continue to apply advanced bio-technology in their efforts to produce new and more effective medications that help treat and relieve hepatitis, coronary heart diseases and cancer, major killers in the country.

Success in Technological Research Viewed

OW2304115891 Beijing XINHUA in English
0920 GMT 23 Apr 91

[Text] Beijing, April 23 (XINHUA)—Chinese scientific and technological researchers have recorded over 400 achievements since the country implemented a "hi-tech research and development program" five years ago.

Today's "PEOPLE'S DAILY" reported that more than 50 of the achievements reached advanced world levels of the late 1980s. In addition, according to the daily, a number of these items are presently in trial production.

As a result of the successful implementation of the program, which was initiated in March of 1986, China now has an army of hi-tech researchers.

During the Seventh Five-Year Plan period (1986-1990), some 10,000 scientific and technological researchers took part in the program. According to the daily 47 percent of the researchers were under the age of 40.

At a national work meeting convened yesterday to explore the further implementation of the hi-tech program, well-known Chinese scientists Wang Daheng, Wang Ganchang, Yang Jiaxi and Chen Fangyun were awarded commendations. The four scientists were responsible for the initiation and implementation of the hi-tech program.

Veteran revolutionary Nie Rongzhen sent a letter in which he expressed high praise for China's scientific and technological researchers, and especially for their contributions made to China's national economy and modernization of the country's national defense.

In his letter, Marshal Nie also encouraged scientific and technological researchers to continue "to work wonders."

High-Tech Industrial Zones Flourish

OW2404085391 Beijing XINHUA in English
0803 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—Today's Overseas Edition of "PEOPLE'S DAILY" reports that high technology industrial zones in China are flourishing.

The daily reports that the country has set up 40 hi-tech industrial zones. According to statistics of 31 hi-tech zones, over 2,500 high-technology enterprises have been operational there.

Last year, according to the daily, enterprises in the zones generated 7.6 billion yuan in income, and that various economic indices of the enterprises have recorded remarkable increases over the previous year.

China's first high technology industrial zone was established in Shenzhen in July 1985.

Enterprises located in the zones are entitled to enjoy tax reductions or exemptions.

XINHUA has learned that beginning this year, the Chinese Government will appropriate over 1.5 billion yuan annually to facilitate the development of the country's hi-tech districts. In addition, the government has asked financial banks to increase loans as part of the effort to enhance development of the districts.

'863' Sci-Tech Plan Achieves Results

OW2404140291 Beijing XINHUA Domestic Service
in Chinese 0914 GMT 22 Apr 91

[By Reporter Shi Baohua (2457 1405 5478) and Apprentice Zhang Yi (1728 5065)]

[Text] Beijing, 22 Apr (XINHUA)—China wins the first battle during the "Seventh Five-Year Plan" period in successfully carrying out the "863" plan, aiming at tracking international scientific and technological achievements. It was learned from a national work meeting on implementing the "863" plan which was held here today.

Vice Minister Zhu Lilan of the State Science and Technology Commission said: Thanks to the hard work of the great masses of scientific and technological personnel, China has achieved results in more than 400 technical projects in the fields of biology, information, automation, energy, and new materials since it began to carry out the "863" plan five years ago. Among them, more than 50 projects have reached the international level of the middle or late 1980's, with many projects entering into the intermediate testing phase.

Some of the important scientific and technological achievements have occupied leading places in the world, such as hybrid rice cultivated through combining two strains of subspecies [liang xi fa ya zhong jian za jiao shui dao 0357 4762 3127 0068 4429 7035 7177 0074 3055 4470], new technology for producing a hepatitis B vaccine, soybean nodulation bacteria having a high nitrogen-fixing ability, and equipment able to identify the words and sounds of Chinese characters. Some projects have achieved technical breakthroughs in China, such as the intellectual working station system, diamond film, and intellectual robots. Some achievements have been even more gratifying in that they have reached the intermediate testing level, such as the hand-written figure identification system, sound identification system, and genetic engineering interferon.

Zhu Lilan said: The key to achieving such remarkable results lies in adopting the correct policy, thus enabling us to go with the tide of the world's advanced scientific and technological development. The second reason is that we have been practicing modern management and have established new operational mechanism characteristics of unified leadership, the responsibility system of experts, and different levels holding different responsibilities. The third reason is that we have organized excellent scientists and scientific and technological personnel to partake in research and development projects.

At today's meeting, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, read a letter from Marshal Nie Rongzhen addressed to the State Science and Technology Commission; the State Commission of Science, Technology, and Industry for National Defense; and scientific and technological workers across the country. In his letter, Marshal Nie highly praised important contributions scientific and technological workers in China have made in improving China's economic construction and modernization of national defense and in enhancing comprehensive national strength. He also encouraged scientific and technological personnel across the country to create new miracles in the long march of scientific and technological progress.

Ding Henggao, minister in charge of the Commission of Science, Technology, and Industry for National Defense, spoke at the meeting.

The meeting, sponsored by the State Science and Technology Commission and the Commission of Science, Technology, and Industry for National Defense, aimed at summing up important progress and experiences gained during the "Seventh Five-Year Plan" period, examining the strategic planning and measures of the "863" plan for the "Eighth Five-Year Plan" period, and commending advanced units and individuals who have made outstanding contributions in China's advanced scientific and technological research and development.

Economic & Agricultural

Vice Minister Sheng on Industrial Revamping

OW2404164191 Beijing XINHUA in English
1529 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—China will try to push forward technological advancements of its enterprises by revamping existing enterprises and importing advanced technology and equipment in the coming five years, a high-ranking government official said here today.

Sheng Shuren, vice-minister of the State Planning Commission, said at a national conference that the nationwide program will help China raise efficiency and ensure the steady growth of the national economy.

Thus, he said, China will earmark 550 billion yuan and arrange over 10,000 projects to upgrade the existing enterprises during the five-year period.

The investment figure for the next five years represents an increase of 38.4 percent over the previous five years, and is equivalent to the total amount invested in the last decade, he said.

The revamping program is aimed at saving energy and reducing raw materials consumption, upgrading technology and raising product quality, developing more high-quality products, expanding exports and ensuring the normal production of enterprises, he added.

At the initial stage, he continued, the state has arranged 62 key projects for retooling the existing enterprises in order to save energy and upgrade products.

China will also launch massive technical transformation drives in six long-term industrial bases in Shanghai, Tianjin, Shenyang, Harbin, Wuhan and Chongqing, since these cities lack strength for further development, he said.

The drive will help these cities play greater role as manufacturing centers with intensified technology, as intelligent resource centers with intensified culture, science and technology, and as commercial centers in opening to the outside world.

Meanwhile, the government will organize various forces to tackle scientific and technological problems in the next five years.

According to the commission, 94 projects have been launched in the industrial and transport sectors, including a 20-million-ton opencut coal mine equipment project, a 600,000 kw [kilowatt] power generating unit, nuclear power stations, and a large capacity integrated circuit and computer systems.

In regard to importing technology and equipment, the vice-minister said that China will gradually increase imports as the central government's foreign exchange reserves increase.

The vice-minister called on enterprises and trade organizations to quicken the pace of various forms of technological importation, including the integration of technology with trade, cooperative designs, cooperative production and compensation trade.

New Private Sector Rules Aimed at Malpractice

HK2304061091 Beijing CHINA DAILY in English
23 Apr 91 p 1

[By staff reporter]

[Text] The State Administration for Industry and Commerce (SAIC) yesterday announced a new set of rules governing supervision of the private industrial and commercial sectors.

The rules, which are to take effect immediately, aim to improve the administration's management of market activities and ensure there is no malpractice by its official agents.

SAIC Director Liu Minxue told a press conference in Beijing that the regulation, which had been approved by the State Council, was designed to make clear the responsibilities and powers of these officials and create a good reputation for the administration.

For a long time, he said, the duties and powers of the officials had not been clearly defined, allowing some managerial staff to abuse their position for personal gain.

The new regulation was designed to combat this problem, he said.

There are a total of 31,720 industrial and commercial administrative agencies in China.

Some 28,207 of them are industrial and commercial supervisory stations, which employ 249,649 workers, or 66 percent of the administration's workforce.

The stations are set up by industrial and commercial administrations at county or urban district level.

Liu said the number of supervision stations was bound to increase with the expected launching of more free markets in the years to come.

And the number of qualified station workers was likely to grow because of the SAIC's focus on building a capable, clean and honest industrial and commercial administration, he added.

Reform Plans for Fujian, Shanghai, Tianjin

HK2404043391 Hong Kong SOUTH CHINA
MORNING POST in English 24 Apr 91 p 10

[By Willy Wo-lap Lam] Bold plans for speeding up economic reform and attracting foreign investment have been announced by Fujian province and the centrally administered cities of Shanghai and Tianjin.

The trio, which have spearheaded China's open door policy, are taking advantage of statements recently made by liberal leaders, including Mr Deng Xiaoping and Mr Jiang Zemin, to "boost the proportions of reform".

Chinese sources say if the policies are carried out, much of ousted party chief Mr Zhao Ziyang's radical reform programme will have been reinstated.

The reform package of Fujian, considered a frontline province for promoting "economic integration" with Taiwan, was announced by acting Governor, Mr Jia Qinglin, during the on-going provincial people's congress.

Mr Jia, who is expected to be confirmed governor later this week, disclosed the province would experiment with free-port policies in the Xiamen Special Economic Zone and the Fuzhou Economic and Technological Development Zone.

A bonded export processing zone and a bonded producer goods market, which provide for the waiver of taxes, would be established respectively in Xiamen and Fuzhou.

At the same time, a fully-fledged financial market will be introduced, a key feature being the granting of permission to Taiwanese and foreign banks to set up branches in Xiamen and other Fujian cities.

Major steps will also be taken in housing reform. Mr Jia said government housing would be sold to the public and its co-operatives would be set up to build apartments.

Shanghai's Eighth Five-Year Plan and 10-year blueprint have been presented to the on-going municipal people's congress.

Executive vice-mayor Mr Huang Ju, who will be named mayor later this week, said the city would take advantage of the dispensation Beijing had granted Shanghai and its Pudong new zone to pursue its open door policies "one step ahead of the nation".

He said in the near future, the focus would be on the development of three zones within Pudong: Waigaoqiao, Jinqiao and Lujiaju.

All three enclaves would be run following Western business practices. For example, the Waigaoqiao bonded

zone will be patterned after tax-free export processing zones in other parts of Asia.

The Tianjin municipal people's congress, which is also in session, will endorse the city's Eighth Five-Year Plan and 10-year blueprint later this week.

The mayor, Mr Nie Bichu, disclosed yesterday that the port of Tianjin would also set up a bonded area to encourage manufacturing and exports.

The Tianjin Technological Development Zone, which has been praised by Mr Deng, will be expanded by at least 10 square kilometres within the decade.

Chinese sources said the blueprints would not have been possible if Beijing had still been preoccupied with the need to reduce the power of the regions.

Even recently, central government bureaucrats, including Prime Minister Mr Li Peng, had warned against the phenomenon of "excessive development" and "indiscriminate experimentations" along the coast.

The planners had also specifically instructed that experiments, including the setting up of bonded areas and the introduction of foreign banks, be restricted to Shanghai and Shenzhen.

Article Urges More Efficiency in Foreign Trade

HK2204063791 Beijing RENMIN RIBAO in Chinese
8 Apr 91 p 5

[Article by Ji Chongwei (1323 1504 1218): "Focus Attention on Increasing Macroeconomic Returns in Opening Wider to Outside World"]

[Text]

1. China Took a Major Step Forward in Opening to the Outside World in the 1980's

China started to implement the policy of opening to the outside world in 1979. Throughout the 1980's, foreign economic and technological exchanges and cooperation expanded rapidly. As a result, China extricated its economy from its state of closure and semi-seclusion, stepped into the world arena with big strides, participated in international exchanges and division of labor, and gradually developed an open-type economy. From 1980 to 1990, the total volume of the country's imports and exports increased from \$38.14 billion to \$115.43 billion, an increase of over 200 percent. According to rough calculations, some 20 percent of China's industrial and agricultural output value in recent years has been attained through foreign trade. In the gross national product, the extent of dependence on foreign trade increased from 9.9 percent in 1978 to 30.9 percent in 1990, exceeding that of India, the United States, and Japan. The expansion in foreign trade has vigorously promoted the development of China's national economy.

Vigorously attracting foreign capital and technology constitutes a marked indication of China's open policy. In

the 1980's, China's use of foreign capital started from scratch, grew from small to big, and developed by leaps and bounds. By the end of 1990, China's use of foreign capital by various means totaled around \$70 billion. The inflow of foreign capital was accompanied by large amounts of advanced technology, equipment, and modern economic management methods, which opened the channels for export products and played an important role in attaining modernization of China's economic structure. During the 1980's, China imported a large amount of advanced foreign technology and equipment through technology transfer, importing advanced equipment, cooperative production, cooperative study, cooperative design, inviting experts, consultation, sending persons abroad to carry out advanced studies, and taking part in or sponsoring international academic meetings to exchange experience. As a result, China's technological level upgraded remarkably, and production and techniques of major industries and technology for equipment manufacture developed rapidly. Moreover, our gap with the world further narrowed and some of our technologies reached the world levels of the 1980's.

Over the past 10 years or so, the areas and fields opened to the outside world expanded gradually, giving shape to the open structure characterized by "special economic zone—coastal cities—coastal open zones—interior" and creating a fine investment environment. Under the guidance of the coastal economic development strategy, the export-oriented economy developed at a relatively fast pace.

After opening up to the outside world, China vigorously developed bilateral and multilateral international economic and technological cooperation, extensively carried out Sino-foreign exchanges in the fields of science, culture, education, sports, and art, and developed international tourism. Over the past decade or so, China contracted projects for foreign firms, offered labor services, and ran enterprises abroad. China sent large numbers of scholars, experts, entrepreneurs, technicians, managerial personnel, workers, and government officials abroad to visit, inspect, practice, and take part in all kinds of conferences, and sent over 100,000 students to continue advanced studies abroad. These profound, frequent Sino-foreign contacts and exchanges enabled the world people to understand China and the Chinese people to understand the real situation and changes of all countries, and assimilate their experience in economic, scientific, and social development. They also served as a reference for China to carry out structural reform and take the modernization road of building socialism with Chinese characteristics. All these activities played an important role in bringing about progress in various fields in China.

Through opening up to the outside world we increased understanding of the mainland by compatriots from Hong Kong, Macao, and Taiwan and enhanced the mainland's appeal and cohesive force, resulting in the smooth implementation of the Sino-British and Sino-Portugal Joint Declarations on the questions of Hong Kong and Macao. Hong Kong and Macao will smoothly return to the embrace of the

motherland. Impelled by the mainland's reform and open policy, the number of Taiwan compatriots visiting the mainland over the past three years totaled 2 million. In 1990, the volume of trade between both sides of the strait reached \$4 billion. The scope of enterprises run by Taiwan investors on the mainland totaled over \$1 billion. There has been a favorable turn in post and telecommunications, shipping, commerce, culture, academic, sports, and art exchanges, promoting the progress of China's reunification.

The fruitful results of practice over the decade has proved that the open policy adopted by the Chinese Government was absolutely correct. Opening up, a basic national policy which is written in the PRC Constitution, has become an important element in building socialism with Chinese characteristics and a historical trend which cannot be reversed.

2. Increasing Economic Efficiency Is the Core of China's Foreign Economic and Trade Activities

Over the past decade or so, there has been a leap forward in both the quantity and growth of China's foreign economic and trade work. Nevertheless, like the defects in China's economy as a whole, poor economic efficiency has been a long-standing critical problem in foreign economic and trade activities.

Viewed from foreign trade, the costs of export commodities in terms of foreign exchange have shot up over the past decade, outstripping the rise in domestic prices. Many export commodities which were profitable in the past have gradually become unprofitable. Although the exchange rate was readjusted on several occasions, it could not catch up with the rise in export costs. Instead of improving, the quality of some export commodities degraded. Foreign exchange earned by units in exporting their products is generally lower than similar products in other countries. Some are even forced to withdraw from the international market. Some distress merchandise was exported by relying on state subsidies for a long time. Although the structure of China's export commodities has changed from primary products to manufactured goods, it is still focused on textile and light industrial products, minerals and fuel, food, and farm produce. Light industrial and textile products belong to the labor intensive category, whose grade and additional value are relatively low. These products are competitive in the international market for their low prices. However, foreign exchange earned is limited. In imports, China experienced the repeated vicious cycle on three occasions over the past decade: Overheated economy—imbalance in imports—adverse balance of trade—forced readjustment. The assimilation and utilization of the full sets of equipment and production lines imported blindly and repeatedly were poor. Many consumer products which were not necessities and which could be produced at home, such as cigarettes, foreign wines, beverages, cosmetics, television sets, and cars, were imported in large quantities despite measures adopted repeatedly to ban the practices, resulting in a waste of huge amounts of foreign exchange and even undermining and ruining the

national industry. In the use of foreign capital, the projects run with loans turned out poor economic results and they even had difficulties in repaying the principal as well as interest. Although better operational results have been attained by most of the foreign funded enterprises, there are also a number of other enterprises which are suffering from deficits because of their deficiencies or improper management. Of the enterprises invested and contracted abroad, there are also a large number whose economic results are poor. The above-mentioned facts show that China's foreign economic and trade activities at the present stage are still at the state of extensive management.

There are many reasons for these problems. Some are due to the eagerness for quick success in guiding ideology and the pursuit of quantity and growth at the expense of quality and economic efficiency; some are due to the irrational structure, mistakes in policies, and lack of macromanagement; and some to the long-standing problems in production setup. Whatever the reason, if the situation of poor economic efficiency continues, besides difficulties to meet the external international environment characterized by increasingly sharp competition, it will also be unbearable for the state's finance and economy. Regarding some departments and enterprises, economic efficiency has become an essential factor affecting their rise and fall in international competition. Regarding various foreign economic and trade work, economic efficiency is a major issue concerning their further development or decline. Therefore, it is necessary to draw great attention, adopt effective measures, and strive to improve and resolve them.

3. In Foreign Economic and Trade Work in the Future, It Is Necessary To Take the Road of Intensive Management

In his report on the draft outline for the 10-Year Program and Eighth Five-Year Plan for China's national economic and social development, Premier Li pointed out: "In light of the requirements of the second step strategic objective, increasing economic efficiency should always be the focus of all economic work in the coming decade." "It is necessary to make strenuous efforts to increase economic efficiency." In the field of foreign trade, we should also follow this guiding principle.

Marx's theory that foreign trade can increase a country's total output value reveals the truth that a country's value can be increased by saving social labor and obtaining comparative interests through the difference between use of domestic and international value. Hence, apart from the exchange in the formation of use value, the tasks of a country's foreign trade include international division of labor and exchange of import and export commodities, enormously saving on social labor, increasing its total output value (social wealth), and promoting the sustained, steady, and coordinated development of its national economy.

It should be noted that foreign trade is a complicated systematic project. Different from domestic trade, foreign trade activities are carried out between countries and the macroeconomic results have a direct bearing on the increase or loss of a country's wealth. Hence, it is necessary to steadily increase the quantity of exports on the premise of ensuring macroeconomic efficiency. Because of the fast-changing quotations, exchange rates, and situation of supply and market in the international market, the sharp market competition is affected by political, economic, and natural factors. Moreover, the problems from production to various links of circulation are rather complicated. For this reason, to attain the above mentioned strategic objective, it is necessary to effect a fundamental change in the guiding ideology for foreign economy and trade, that is, the strategic change from extensive to intensive management. The essence and core of intensive management lie in increasing the macroeconomic efficiency of foreign economy and trade, that is, taking into account the direct costs of import and export commodities as well as the social opportunity costs of import and export commodities and the influence of the commodities imported and exported on domestic production, investment, consumption, market, and prices; and also taking into account the interests of foreign trade enterprises as well as the positive and negative macroeconomic efficiency of the imported and exported commodities on the national economy. When microeconomic efficiency contradicts macroeconomic efficiency, the former should give way to the latter. Take the export commodities whose quantity and prices are restricted by the state for example. If individual enterprises increase the quantity of exports without authorization or market the products abroad by willfully reducing the prices, it will result in supply exceeding demand in the market abroad and a drop of prices, harm the state's overall interests, and even be punished by other countries based on their anti-dumping laws. Hence, intensive management of foreign trade can be realized only through the state's effective regulation and control over foreign economic and trade activities and intensive management over foreign trade enterprises. The common task of both is to adopt various effective measures to increase the units' foreign exchange earnings through exports and reduce the cost of export commodities and use less or the least export trade volume to obtain more or the most import value volume. At the same time, we should obtain the greatest use value with the least foreign exchange so as to obtain the greatest comparable interests and give full play to the increment role of foreign economy and trade in the national economy.

In view of the current problems and a summary of China's experience in foreign economy and trade work in the 1980's, I think a change should be effected in macromanagement and microoperation of China's foreign economy and trade work from extensive management of the past to intensive management.

First, the state should, in light of the economic development strategic objective, exercise effective macroscopic organizational management over foreign economic and trade activities, formulate unified policies, work out unified planning,

and make concerted efforts in this regard. It is necessary to promptly react to the changes in the international and domestic economic situation. To avoid mistakes and imbalances in the major aspects, it is necessary to give full play to the role of guidance, regulation, and control and of the economic levers of exchange rate, tax rate, credit and interest rate and the management means of licenses and quotas over foreign trade and foreign capital. In the structure, it is necessary to appropriately combine the necessary centralization and strict requirements with decentralization, delegation of powers, and flexibility. We should particularly implement the principle of the superstructure serving basic level enterprises. In consideration of international standards and the needs of external competition, we should lift the restrictions on enterprises engaging in international business activities (such as simplifying the procedures for people to go abroad) so that they can give full play to their inherent role under the guidance of unified policies and the mechanism of self-restraint and can increase their competitiveness in the international market.

Second, China's foreign trade management system is still undergoing the first step reform this year aimed at eliminating the longstanding malpractices of everybody sharing food from the same big pot and creating conditions for enterprises at all localities to carry out competition on an equal basis; urging all production and foreign trade enterprises to take the road of intensive management; gradually unifying policies, carrying out competition on an equal basis and independent operation, assuming sole responsibility for profit and loss, integrating industry with trade, introducing the agency system, and making concerted efforts to develop foreign trade. This is a severe test for every enterprise. All enterprises should try by every means to overcome difficulties, pass the barrier, and scale new heights.

Third, the export production enterprises should make use of the available production factors, production bases, and domestic and international distribution of resources and transformation mechanism to apply skilled labor and technical know-how intensively to all kinds of export commodities. It is necessary to put "quality, variety, and efficiency" in the first place, frequently collect foreign information, promptly improve product design in light of consumers' needs, increase varieties, and, based on advanced international standards, constantly improve quality and grades and reduce costs so that they can be sold at better prices. It should be stressed that the good or bad quality of export commodities reflect the qualities of a nation and the image of a country. Hence, it is necessary to increase precision and technological processing and improve the internal and external quality of products through optimizing the industrial structure and product mix. At the same time, it is necessary to improve commodity packing, transportation, and commercial inspection and do pre-sales and post-sales service work well. Only by doing so can we increase our international competitiveness and ability to earn more foreign exchange and join the new structure of international division of labor.

Fourth, foreign trade enterprises should strive to develop a new market and particularly expand China's trade relations with the surrounding nations and the Asia-Pacific countries. It is necessary to strengthen investigation and study of foreign markets, collect and make use of information resources, forecast the capacity of and changes in market supply and demand for all kinds of commodities as well as the trend of prices; select the best international sales tactics and means, adopt non-price competitive means that can meet consumers' psychology, use best quality, good service, and prompt delivery to increase the reputation of Chinese goods; and put an end to the state of China's commodities exported at a low price as in the past. In import work, proceeding from the needs of domestic construction and saving foreign exchange expenses, it is necessary to make careful calculation and strict budgeting, ensure import of important materials, use the least foreign exchange (or commodities in kind) to import advanced technological equipment and sought-after materials badly needed in China and support production, construction, and scientific and technological progress. Based on trade, it is necessary to integrate imports with exports, industry and technology with trade, and vigorously carry out various forms of foreign economic relations and technological cooperation.

Fifth, regarding foreign exchange management and financial system, it is necessary to vigorously support and develop foreign trade and use of foreign capital through payments, use, reserve, conversion, and regulation of foreign exchange, and speed up capital turnover so as to ensure the best effective use of the state's foreign exchange. We must strive to reduce foreign exchange risks, ensure security of the foreign exchange to be used for trade and investment, and attain the best financial profits.

Sixth, in the use of foreign capital, the government at all levels should put an end to the tendency of the craze for building new zones, developing new projects, and seeking more foreign invested projects. Instead, they should focus attention on improving the existing investment environment, make full use of the old urban areas and enterprises, and absorb foreign capital to undergo technical transformation. It is necessary to earnestly conduct feasibility studies, help the foreign-funded enterprises improve their external production and operation conditions, improve operation and management, and attain better economic results. Regarding foreign-funded enterprises which have encountered problems or which have violated the law, it is necessary to strengthen supervision and management in light of the law. To run Sino-foreign joint ventures, we need large amounts of renminbi as well as qualified personnel with special production and international trade and financial knowledge, and a certain policy level who can do a good job of enterprise operation and management. On the question of attracting direct foreign investment, it is necessary to proceed from the practical situation of the locality, act according to a locality's capability, select the best for examination and approval, and put quality before quantity. To avoid blindness and losses in work, we should

not use general calls to advocate or exert pressure on the lower levels by issuing orders. We should be particularly prudent in borrowing foreign funds to run enterprises. We must accurately select the direction of investment and do feasibility studies and risk analysis well so that the anticipated economic results and repayment capability are reliable. It is necessary to establish a strict repayment responsibility system and ensure scheduled repayment.

The key to improving the quality and efficiency of foreign economy and trade lies in the qualities of the personnel. For this reason, it is necessary to establish a strict and scientific assessment, reward, and selection personnel management system within the foreign economy and trade departments and build a contingent of high quality workers who are politically and professionally proficient.

New Bonds Issued for Domestic Economy

Special National Bonds

OW2104140191 Beijing XINHUA in English
1304 GMT 21 Apr 91

[Text] Beijing, April 21 (XINHUA)—The Chinese Government has decided to issue special state treasury bonds totaling two billion yuan in 1991.

Half of the bonds will be sold to enterprises and institutions in good economic conditions, and the rest will be sold to departments in charge of pension funds for state-owned enterprises and employment insurance funds. The annual interest rate for the bonds is nine percent.

The bonds will be repaid with interests five years after the purchase.

According to relevant regulations issued by the State Council, the bonds will be allocated by the Ministry of Finance to localities and government departments. The issuance began on April 15 and will be completed on October 15.

Regulations on National Bonds

OW2104120291 Beijing XINHUA Domestic Service
in Chinese 0012 GMT 21 April 91

["PRC Regulations on 1991 Special National Bonds"—XINHUA headline]

[Text] Beijing, 21 Apr (XINHUA)—Article 1. To gather financial funds, support the national construction, and enhance economic development in a stable and coordinated manner, it has been decided to issue the 1991 Special National Bond.

Article 2. The goal and volume of the Special National Bond are as follows. With relatively good economic conditions, state-owned enterprises, collective-owned enterprises, private enterprises, various financial organizations, enterprises' management departments, business

units, troops, organs, and social groups will be allotted a total of 1 billion yuan. Workers and staff's retired and pension fund administrative organizations, as well as unemployment insurance fund administrative organizations under state-owned enterprises also will be allotted a total of 1 billion yuan.

Article 3. The repayment period of the principal of the Special National Bond will be five years. It will be repaid in one lump sum five years after the date of payment.

The annual interest of the Special National Bond is 9 percent and is to be effective from the date of payment. Interest will be paid in one lump sum at the same time when the principal is being repaid. There will be no compounded interest.

Article 4. The Ministry of Finance will assign the task of securing commitments to purchase the Special National Bond to the central units, troops, various provinces, autonomous regions, municipalities, and cities with enhanced powers. The people's governments of the various provinces, autonomous regions, municipalities, and cities with enhanced powers will assign the same task to local units.

All units must fulfill the assigned tasks of purchase-commitment within a specified timeframe.

Article 5. The Special National Bond will be issued from 15 April through 15 October.

Article 6. The Special National Bond will be uniformly issued in the form of receipts. Finance departments and organizations in various localities will handle its issuance and repayment of principal and interest.

The receipts of the Special National Bond may be registered and their loss may be reported, but they are not to be circulated as currency.

Article 7. Interest accrued from the purchase of the Special National Bond will be exempted from income tax.

Article 8. The Ministry of Finance will be responsible for explaining the above regulations, whose measures for implementation also will be formulated by the said ministry.

Article 9. The above regulations will be effective on the date of publication.

Finance Official on Bond Issuance

OW2404222991 Beijing XINHUA Domestic Service
in Chinese 0609 GMT 23 Apr 91

[Text] Beijing, 23 April (XINHUA)—The responsible person concerned from the Ministry of Finance recently replied to questions put forward by a XINHUA reporter regarding the issuance and transfer of the 1991 treasury bonds as well as on matters concerning their repayment with interest.

[XINHUA] What are the amounts, terms, and feasibility surrounding the issuance of treasury bonds this year?

[Official] The amount of treasury bonds to be issued this year is 10 billion yuan. The target of the issue will be individual citizens and individual businessmen. The duration of these bonds will be similar to that of last year, that is, three years. Given the fact that inflation has been effectively brought under control, commodity prices have been stable, and the interests rates on bank deposits have fallen, and taking the interests of the state and the buyers into consideration, the annual interest rate for this year's treasury bonds will be 10 percent. It is 1.72 percent higher than the interest rate for bank deposits of the same duration. At the same time, interest income from treasury bonds will be exempted from the personal regulatory tax and the individual businessman income tax.

Last year, the national income of China rose quite considerably. On that basis, the income of residents has risen further, and savings deposits have increased by a wide margin. Moreover, over 15 billion yuan worth of treasury bonds will come due for repayment with interest this year, and the amount of bonds held by residents is likely to increase. All these will help to fulfill this year's task on the issuance of treasury bonds. Of course, to accomplish this task, it will require the broad masses to conscientiously and eagerly purchase the bonds and promotion departments at all levels to soundly organize their work and do an effective job in public relations and mobilization.

[XINHUA] What measures will be taken to issue this year's treasury bonds?

[Official] The principal measures to be taken this year for the issuance of treasury bonds will be putting the effort under the unified leadership of people's governments at all levels; promotion by banking, finance and postal departments through various channels; and subscriptions by individual citizens. In order to improve the structure for issuing treasury bonds, better the methods of issuance, and increase the economic means of issuance, it has been decided to experiment with underwriting in issuing of treasury bonds this year. A group of underwriters will be enlisted to take up some of the treasury bonds, who in turn will sell them through their own outlets to people in the cities and countryside. Underwriting is a method which has been adopted by many countries in the world. It helps to regulate the relations between supply and demand in the first-tier market of bonds and debentures, and offers the opportunity of choice to the vast majority of investors. It also provides convenience to the masses, and enables treasury bonds to be issued smoothly. This year, the amount of bonds set aside for the experiment in underwriting will be small. Therefore, units of banking, finance, and postal departments at all levels involved in the sales of treasury bonds must actively set up more outlets, and vigorously launch over-the-counter sales. All departments and units must do a good job in public relations to mobilize the masses to purchase the treasury bonds. The finance departments of all units must eagerly enlist and handle subscriptions placed by cadres and workers in their own units, and make things convenient for the

masses. They must create favorable conditions for cadres and workers to buy treasury bonds. The issuance of treasury bonds this year will take place from 1 April to 30 September.

[XINHUA] What are the results of the experimentation with markets for treasury bond transactions, and what are the future plans?

[Official] By April this year, the experiment with markets for treasury bond transactions has been going on for three years. Work in this regard has been very fruitful. In particular, it has provided convenience for people who want to shift to cash, regulated the capital market, improved the prestige of the national debt, effectively promoted the issuance of treasury bonds, and played an important role in building and perfecting China's securities market. In the past three years, transactions in the treasury bond market have become increasingly lively, and more and more people have enhanced their financial awareness. According to present estimates, the total volume of transactions for treasury bonds has exceeded 10 billion yuan. Of course, certain problems still remain during the process of developing a market for the national debt. Particularly, the problem of black market transactions is still quite serious. In this connection, the finance, public security, banking, and industry and commerce administration departments at all levels must act according to the relevant provisions, and sternly crack down on the illegal transactions of treasury bonds in order to safeguard the interests of the masses and the prestige of the national debt. Furthermore, the Ministry of Finance and the People's Bank of China have decided to allow, beginning from 1 January this year, the market transaction of treasury bonds issued in 1990 in order to increase the variety of securities on the market. They have also decided to permit more cities to set up markets for transactions in treasury bonds this March; this will increase the number of operation outlets and make it more convenient for the people. Of course, striking at the black market also requires closer cooperation from the masses, and their conscientious resistance. Intermediary organizations at all locales handling the transfer of treasury bonds must establish a correct operational guiding ideology, make serious efforts to enforce the relevant policies and provisions of the state, not be motivated by gain, work hard to do well in the transference of bonds, and serve the masses better.

[XINHUA] The amount of national debt to be repaid with interest this year will be more than that of last year. What are the specific steps taken to make it more convenient for the masses to cash their bonds?

[Official] The total amount of treasury bonds held by individuals falling due for repayment this year has increased, and is estimated to have reached some 15 billion yuan. The state will begin to repay them on time with interest starting 1 July. Last year, we made some improvement in this work, and used the banking, finance and postal departments to handle the cashing of treasury bonds in order to increase the number of outlets for

cashing bonds. The results were good, and the masses were satisfied. But the situation in each locality is different. This year, we have called on all localities to review their experiences last year concerning the cashing of treasury bonds, rely on the people's governments at all levels, adopt all effective measures, and do their utmost to make things convenient for the masses. In particular, they should pay close attention to the following measures: First, step up services for cashing bonds in the banking, finance and postal departments, especially during the peak cashing period, and ensure that there are sufficient outlets to handle cashing requirements. To ensure that cashing takes place on time, intermediary organizations at all localities handling the transfer of treasury bonds must also provide cashing services. Second, fully exercise the advantage in all units of cashing on a collective basis so that more people can cash their bonds within their own units, thereby reducing the time the masses spend on cashing as well as easing the pressure on cashing counters. Third, we hope that the finance, banking and postal departments in all localities will create positive conditions and organize their cashing work well. They can also adopt the methods of making appointments as well as collecting bonds beforehand to cash them on the due date so as to ease the pressure during the peak cashing period. Fourth, all localities must establish appropriate outlets for cashing throughout the year with a view to satisfying the needs of the masses.

Regulations on Treasury Bonds

OW2204045191 Beijing XINHUA Domestic Service
in Chinese 2024 GMT 21 Apr 91

[Regulations of the People's Republic of China on 1991 Treasury Bonds]

[Text] Beijing, 22 Apr (XINHUA)—Article 1. It has been decided to issue 1991 treasury bonds in order to raise funds for socialist modernization in society.

Article 2. Treasury bonds will be issued to individual citizens and self-employed industrial and commercial people.

Article 3. The value of treasury bonds to be issued is 10 billion yuan.

Article 4. The principal of treasury bonds shall be repaid in three years in one lump sum on 1 July 1994.

Article 5. The interest rate for treasury bonds shall be 10 percent per annum.

Interest on treasury bonds shall be charged from 1 July of this year, and repaid along with the principal in one lump sum. No compound interest shall be charged.

Article 6. Treasury bonds shall be valued in renminbi in denominations of 5, 10, 20, 50, and 100 yuan.

Article 7. Treasury bonds shall be issued from 1 April to 30 September of this year.

Article 8. Treasury bonds shall be purchased through subscription. Individual citizens and self-employed industrial and commercial people shall subscribe in proportion to their incomes and shall complete the task of subscription on schedule.

Article 9. The issuance of treasury bonds and the repayment of principals and interest shall be managed by banking, financial, and postal departments under the unified leadership of people's governments at all levels.

Article 10. Treasury bonds may be transferred on state-designated exchanges. However, they may not be circulated as currency. Specific matters pertaining to the transfer of treasury bonds shall be handled in accordance with relevant national laws.

Article 11. Funds raised through the issuance of treasury bonds shall be used under the State Council's unified plan.

Article 12. People who forge treasury bonds, or otherwise ruin the reputation of those bonds, shall be punished in accordance with the law.

Article 13. Proceeds derived from interest accrued on treasury bonds shall be exempt from taxation.

Article 14. The Ministry of Finance shall be responsible for interpreting these regulations, and shall formulate procedures for implementation.

Article 15. These regulations shall take effect on the day of promulgation.

Commercial Bank To Sell Bonds

HK2204021091 Beijing CHINA DAILY in English
22 Apr 91 p 2

[By staff reporter Zhang Yu'an]

[Text] The country's largest commercial bank is to issue 3 billion yuan (\$576 million) worth of bonds starting from next month.

The bonds will be for individuals in both urban and rural areas and have face values of 100 yuan, 500 yuan and 1,000 yuan, according to a news release yesterday from the Industrial Commercial Bank of China.

It said the bonds would have "fluctuating" terms of one, two or three years at the discretion of the holder.

The bonds could not be cashed within one year, it said, although holders could sell their bonds to others.

The release said one-year bonds would carry an annual interest rate of 8.5 percent, two-year bonds 9.2 percent, and three-year bonds 10 percent.

Enterprise Success With Contract System

OW2404125191 Beijing XINHUA in English
0717 GMT 24 Apr 91

[Text] Hangzhou, April 24 (XINHUA)—Along with many other factory directors in China, Qian Qimei, director of the Jiaying Battery Plant in east China's Zhejiang Province, renewed his responsibility contract with government authorities at the beginning of this year and immediately worked out a five-year plan to further upgrade its products.

He plans to produce world-class manganese-zinc batteries and improve packaging so that the factory will have still better returns. He is fully confident of his factory's future as he has just got a unanimous vote of confidence from all workers.

Qian Qimei signed his first "factory director responsibility contract" with the city authorities in 1987. The contract clearly stipulated his decision-making autonomy in the operation of the factory and the amount of profits he should hand over to the state.

The factory reported 1990 profits of over 2.86 million yuan, much higher than the three year target of 1.82 million yuan.

In addition, during the first quarter of this year the plant's export volume increased by 14 percent over last year's same period, a record.

Qian attributed all the success to the responsibility system that gives him a chance to display all his talent.

The Jiaying Battery Plant, one of the key enterprises in Zhejiang Province, has 615 workers, 289 pieces of equipment and nine production lines.

The plant, which was established in 1952, manufactures eight types of batteries and its annual output of batteries accounts for over one-fourth of the provincial total.

However, in the past the plant had to operate in the red due to poor management, increasing expenditure and rising prices of raw materials.

In December, 1987, Qian Qimei assumed the post as the plant director, and immediately set about rejuvenating the plant.

The first item on Qian's agenda was to assign three deputy directors and an assistant director, thereby forming a capable leading group for the plant. He worked in earnest to fulfil every part of the contract he signed with regard to battery output and quality, as well as for the consumption of raw materials, the safety of workers, and equipment management. The leaders and workers were asked to provide a financial guarantee in order to ensure the plant's guaranteed performance.

Then, Qian worked out and implemented a series of regulations aimed at improving product quality,

reducing the consumption of raw materials, ensuring safety operation and raising the income for all those who work hard.

Each year, Qian reported on the progress of his own work to the workers assembly, and solicited the opinions of the ordinary workers in his plant.

During a period when the plant was in dire need of raw materials, workers in the plant proposed "adjusting the materials used in making the rush pith of batteries" and "making full use of waste charcoal rush pith." The idea resulted in the plant earning an additional 300,000 yuan in profits.

The plant also extended great efforts in the area of technical improvement, and the plant was the first in China to produce batteries with paperboard instead of paste.

The plant's annual output has increased from near 50 million yuan to over 64 million yuan. The per capita bonus for last year reached 855 yuan—a windfall for employees since in the past they had no bonus whatsoever.

At present, the plant exports products to a number of Latin American and African countries, as well as to Hong Kong.

Timber Consumption Up, Imports to Rise

HK2304045991 Beijing CHINA DAILY in English
23 Apr 91 p 2

[By staff reporter Wu Yunhe]

[Text] Timber consumption in China looks set to increase this year and the country will have to import a great deal more to meet the growing demand on the domestic market, according to an official source.

A group of economists with the Ministry of Materials and Equipment recently conducted a survey covering all of the country's economic indicators and came to the conclusion that consumption on the domestic market would rise by 15 per cent while output was expected to fall by 10 per cent this year compared with last.

According to the State Statistics Bureau, China's gross output of timber reached 54 million cubic metres last year, a drop of nearly 7 per cent over the previous year.

China already imports millions of tons of timber to meet the demand of the domestic industries which have suffered from timber supply shortages over the last few years.

This was mainly the result of the government's efforts to speed up the development of agriculture and industry, according to the source who declined to be named.

He said investment in capital construction by State-owned firms would increase by 10 per cent this year from last year's 170.3 billion yuan (\$32.7 billion).

The government planned to plough a hefty sum into the country's coal mining, paper producing and telecommunications industries this year in an attempt to develop them further.

These industries were all timber consumers so their development would lead to an increase in demand for timber on the domestic market, the source said.

Another major factor which would trigger off an increase in the demand for timber was the government's plan to build more houses in both the rural and urban areas this year.

At the same time, he said, agricultural development projects, which were being injected with unprecedented sums of money by the government this year, would also use up large amounts of timber as the basic building material.

But, he said, timber production in China was falling because vast quantities of domestic wood resources had been used up over the last few years and the country was now doing its best, along with other countries throughout the world, to protect forest resources from further damage.

'Pen Talk' on Developing Jiangsu's Wuxi

HK2104070691 Beijing RENMIN RIBAO in Chinese
12 Apr 91 p 6

["Pen Talk" Under the Heading "Only Socialism Can Develop China" by Zong Juru (1350 5468 1172) and Huang Shengping (7806 0524 1627) of Jiangsu's Wuxi City CPC Committee Propaganda Department: "Great Practice of Scientific Socialism in Wuxi's Rural Areas—an Investigation of Rural Areas in Wuxi, Jiangsu"]

[Text] Having investigated rural Wuxi for several months, and visited some enterprises, village towns, and families, we got a deep impression: Socialism has become a great mass practice with tremendous accomplishments; the entire rural area has taken on a look of prosperity full of vitality, which is very inspiring.

I. The Progress of Agricultural Modernization Is Accelerated, Agricultural Economy Enjoys Steady Development

With the vigorous development of the rural socialist commodity economy since reform and opening up, Wuxi's township and town enterprises have been increasing with great momentum, while traditional agriculture is being converted to modern farming. By the end of 1990, 85.8 percent of the city's rural areas had transferred to nonagricultural arenas. Such transfer was conducted in a planned and orderly way, and augmented the collective economy's strength under the prerequisite of stabilizing agriculture. Land is no longer the sole source of the peasants' subsistence now. The agricultural managerial structure characterized by intensive labor is undergoing profound changes. A new arrangement for distributing peasants' work hours has surfaced. Time spent in farm labor has been cut back sharply. According to 11 rural surveys, the farming of each mu of wheat involves only 10 workdays, and rice 15 workdays, less

than 30 percent of the workdays originally required. Wuxi's rural situation in the wake of reform has shown that the traditional way of cultivation, which involved burdensome manual labor, is gradually being replaced by mechanized farming in a scientific way. Mechanization has basically been instituted in most parts of rural Wuxi. In 1989, the power of farming machinery was 790 watts per mu. The overwhelming majority of rural areas began to achieve tractor plowing and mechanization in irrigation, husking and processing of grain and fodder, and a pattern of agricultural modernization based on progress in science and technology is taking shape, with the past small-scale farming resulting in low economic results gradually replaced by appropriate scale-management. Wuxi County has been listed as a national-level experiment in agricultural modernization.

As Wuxi's township-and-town industry has gradually replaced agriculture's economic place as the major aspect and augmented the collective economy's strength, it is capable of taking up the responsibility of stabilizing and building agriculture. Its subsidies to agriculture from its profits has become a major backing needed in agricultural development. During the Sixth Five-Year Plan, township and town enterprises donated 450 million yuan from their profits after taxes to agriculture, a sum 3.86 times the state's input in agriculture over the same period. Although the city's arable land has been cut back by 240,000 mu in recent years, agriculture has not waned because township-and-town industry has provided it with increasing funds with some breakthroughs in diversified management and a steady increase in annual gross grain output, while overfulfilling the contracted purchase of grain. We are happy to see a thriving rural situation, in which agriculture, forestry, animal husbandry, sideline production, and fisheries develop in an overall way along with the comprehensive management of industry, commerce, transportation, building, and service trades.

II. Industrialization Is Basically Realized in the Rural Areas, Which Are Gradually Developing Toward Urbanization

Wuxi's township-and-town industrial output value was only one billion yuan in 1978; it jumped to 24.562 billion yuan by the end of 1990, accounting for 94 percent of Wuxi's gross industrial and agricultural output. In 1989, taxes handed over to the state by township-and-town industry accounted for 38 percent of the city's financial revenues. Its commodity supply to foreign trade accounted for 34 percent of the city's volume. A few years ago, we said that township-and-town industry accounted for "half the city's industry," today, it has expanded to "two-thirds."

The industrial setup has also undergone profound changes with the development of enterprises in townships and towns. Over the past 10 years and more, Wuxi's voluminous rural work force has transferred to the second and tertiary industries. The ratio between the first and the second and tertiary industries changed from

60:40 in 1978 to 27:73 in 1989. From the viewpoint of the forms of value, the GNP ratio between the first, second, and tertiary industries changed from 25:57:18 in 1978 to 16:68:16 in 1989. The ratio between gross output value of industry and agriculture changed from 16:84 in 1987 to 94.2:5.8 in 1989, with industrial output value increasing by 70-some percent. The development of rural social productive forces has promoted the marked increase in the general volume of social materials and equipment. By the end of 1989, the average assets of township and town enterprises were 782,100 yuan, 8.97 times that of 1978. The city's aggregate assets of enterprises in this category exceeded 24 billion yuan in 1990. This being the case, we can see that socialist reform and opening up have greatly promoted the development of productive forces, enabling the great increase in Wuxi's rural economic strength. Comrade Deng Xiaoping stated: "The superiority of socialism precisely finds expression in a higher plane and a faster pace of its development than capitalism" ("Building Socialism with Chinese Characteristics" revised and enlarged edition, p 53). Now the image of socialism has struck root in Wuxi peasants' minds.

The policies on developing the rural commodity economy formulated since the 11th Central Committee's Third Plenary Session have vigorously promoted rural Wuxi's urbanization. Such urbanization boasts the following basic characteristics: Synchronous development of enterprises in townships, towns, and small towns; rural industrialization bringing along rural urbanization; and taking the way of "combining industry with agriculture," "linking town to country," "leaving the fields but not the rural areas," and "entering the factory but not the city." The ties between workers and peasants, urban and rural areas in the course of building rural industry have brought about a new situation characterized by the shaping of many tiers, arenas, and forms in greater Wuxi. Presently, around two-thirds of Wuxi's 12,000-some township and town enterprises have established various economic and technological cooperation with large enterprises, scientific research units, and institutes of tertiary education in urban areas. Wuxi's 48 urban enterprise groups have formed links with thousands of enterprises under them in townships and towns in Jiangyin, Yixing, and three counties (city) under Wuxi's jurisdiction as well as suburban Wuxi and Mashan District, while promoting rural urbanization and forming the urban and rural areas into an organic whole. Today, there are small towns spread all over the Wuxi area. In the area, there are wide highways and water courses crisscrossing each other, which provide transportation facilities; thus a network connecting the urban and rural areas has basically taken shape. Over the past 10 years, Wuxi's 124 small towns have expanded their aggregate area from 99.2 to 248 square kilometers. Small town groups characterized by regional comprehensiveness, including politics, economy, education, culture, science and technology, and an information center, have quietly risen in rural Wuxi, with the differences between town and countryside rapidly narrowing. Take for

example, Wuxi County, which takes the economic lead with its gross industrial and agricultural output value exceeding 10 billion yuan. The county boasts a population of 1.03 million, with one-fourth of it living in small towns, and half of the peasant populace is supplied with tap water. Row upon row of factories, companies, stores, trade markets, and banks stand in the town; public facilities, including cultural and welfare institutions, are being completed with each passing day. All township sites have each set up a home for the elderly, a cultural center, and a park. Thirty-five township sites are connected with the urban areas and all cities connected by telephone, and even IDD service is provided.

In urbanization, rural Wuxi has avoided the painful progress of some Western capitalist countries; for example, such malpractice and disasters as peasants' impoverishment and bankruptcy and vicious urban expansion. Moreover, our party has adopted correct principles and policies in the course of rural urbanization to promote industry and agriculture complementing each other, common prosperity of urban and rural areas, and narrowing the differences between town and country, workers and peasants, and mental and manual labor. In the "Manifesto of the Communist Party," Marx and Engels proposed "combining industry with agriculture to promote the gradual elimination of the opposition between town and country" ["Selected Works of Marx and Engels" Vol 1, p 273]. This scientific prediction has taken shape in rural Wuxi today.

III. Inspiration From the Construction and Reform of Rural Wuxi

1. It is imperative to stick to the road of development with public ownership as the main body.

Socialist public ownership of production means is the foundation of socialist production relations. Rural Wuxi's cadres and masses have adhered to the socialist orientation and taken the road of sticking to public ownership as the main body in developing the productive force.

Regarding the forms of ownership over the past 40 years and more, whether it be the first, second, or tertiary industry, rural Wuxi has all along adhered to the form of collective ownership as the key. Since the 11th Central Committee's Third Plenary Session, a new setup has taken shape with collective ownership being the main item, coexisting with diversified economic factors. Wuxi's rural economy consists of township (town), village, team, household, and combination economies, with the collective economy at the township (town) and village levels being dominant. In the aggregate fixed assets of rural Wuxi in terms of 8.3 billion yuan (at original value) by the end of 1990, the assets of collective enterprises in townships and towns accounted for 93.25 percent, while the private sector economy accounted for only 3 percent. Whether in absolute value or growth rate, the collective economy is in a superior position. Most enterprises run by joint or individual households, which

account for a very small percentage, lean on enterprises in townships and towns, complementing the collective economy. The development of enterprises in townships and towns (mainly industrial enterprises) has promoted the conversion of the collective economy from agriculture, which was unitary, to industry being the main body, augmented the position of public ownership in township and town economy, and further consolidated the socialist front in the rural areas, while increasingly displaying socialism's great advantages with each passing day.

—Public ownership is conducive to the realization of providing agriculture with subsidies from industrial profits, building agriculture with help from industry, and accelerating rural modernization.

With township-and-town industry with public ownership as the main body growing in strength, it will naturally take up the responsibility of equipping and transforming agriculture. Over the past 10 years and more, township-and-town industry has spent a total of 1.023 billion yuan to nurture agriculture. This sum accounted for 14.15 percent of the volume of taxes and profits handed over to the state by township-and-town industry, used chiefly to subsidize farm and sideline production, to cover price differences of agricultural production materials, to purchase farm machinery, to improve the base for farmland and to spread agricultural science and technology; and an accumulation mechanism of agricultural input has gradually taken shape, thus ensuring improving agriculture's "function of raising funds on its own," augmenting socialized services to agriculture, and promoting the development of agricultural scope management. Public ownership is conducive to the realization of providing agriculture with subsidies from industrial profits and building agriculture with help from industry; moreover, it is helpful in building towns and supporting cultural undertakings, education, public health, and the militia with industrial profits. In short, with the support of township-and-town industry with public ownership as the main body, great progress is made possible in all trades and professions in the country, including culture, education, science, public health, transportation and communications, social order, family planning, servicemen's recruitment, the militia, civil affairs, and giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen, peasants' housing, and all other basic social welfare.

—Public ownership as the main body helps readjust the industrial setup, and promotes the rational flow and optimum combination of various production essentials.

Greater Wuxi is characterized by its huge population but land scarcity, but it has completed the historical change from farming to industry as the major aspect of rural industry, with readjustment in nonfarming management as a breakthrough to develop township-and-town industry by relying on the collective accumulation of agriculture under the condition that no state investment

was involved. Today, township-and-town industry has already become the major pillar of the rural economy, the main channel of peasants' income, the major place for full employment of the rural surplus work force, and the fountainhead of state and local financial increases. Over the past 10 years and more, a new pattern of Wuxi's rural industry has taken shape characterized by all-around development and comprehensive management with agriculture as the base, industry as the major aspect and the tertiary industry farming a whole range. This historical change has enabled Wuxi's rural economy, which used to operate on the track of semi self-sufficiency, to shift on the track of developing the socialist commodity economy. Rural Wuxi has broken through the boundaries of the original ownership structure, with a regional economy gradually taking shape, characterized by transregional, tiered economic combination, and various kinds of production essentials going through optimum combination for highly efficient reproduction according to market demands. Township-and-town industry characterized by public ownership has made possible the smooth coordination and swift amassment of such production essentials as funds, technology, and work force as well as the formation of a certain scope of economic results. The readjustment and disposition of the collective economy, the rational division of labor of industry inside the rural economy, and the relative stability of rural industry have all enabled each trade or profession to have a role to play. This is an advantage quite beyond other economic forms, including the household economy and the economy's private sector.

—Public ownership as the main body is conducive to the building of socialist spiritual civilization.

Because of the lack of funds, construction of installations for building rural socialist spiritual civilization was more often than not out of the question in the past. Today the chief aspect of rural industry is collective industry instead of collective agriculture, thus rural cultural and educational undertakings have made great progress. In recent years, most of Wuxi's townships and towns have built their educational undertakings for teenagers with kindergartens and primary and secondary schools as the chief aspect, cultural and recreational undertakings with cultural centers (stations) in the main, and their propaganda and public opinion field with township-and-town television programs and newspapers as the main body. A large number of public libraries, cultural centers, museums, and movie houses have been built or expanded in various counties (cities). Cultural centers were built in 78 townships and towns, in addition to a number of large cultural buildings with rather high standards and complete functions. Party schools at township and town levels have been initiated in rural Wuxi as a major front for educating rural party members and cadres. Besides, constant classes on the current situation and policies and training classes for reserve cadres and the Communist Youth League, Women's Federation, and the militia have been run to give full

play to the role of party schools as the socialist educational front. Although rural cadres and peasants live in the country, they enjoy modern spiritual civilization all the same and are nurtured by socialist ideological education, which have promoted people's ideological and ethical qualities and the constant elevation of the standard of civilization.

Township and town enterprises characterized by socialist public ownership have created tremendous material wealth; moreover, they are like a large school, in which the peasants study politics, economics, science and technology, and culture, with a new generation of socialist men who have lofty ideals, moral integrity, a better educational background, and a high sense of discipline. A large number of socialist entrepreneurs in townships and towns have surfaced. They have changed the traditional image of the peasants, bringing about historical changes in their lifestyle, culture, knowledge, work skills, and ideological concepts, while displaying the spiritual feature of new-type socialist peasants.

2. The need to adhere to the road to common prosperity. In the course of the tremendous development in productive forces, the cadres and masses in rural Wuxi have all along adhered to the party's basic line and taken the road to common prosperity.

Common prosperity is socialism's essential demand. To realize common prosperity, it is imperative to accomplish rather great development of the socialist collective economy; otherwise, it would be out of the question. The ever-growing strength of Wuxi's rural collective economy has provided a solid material base for common prosperity. During the Sixth Five-Year Plan, township and village economies created a national income of 5.9 billion yuan, of which taxes given to the state amounted to 2.25 billion; workers and staff members's wages, 1.45 billion yuan; and accumulation in various descriptions provided for the collective, 2.2 billion yuan. The accumulation rate rose from 18 percent in 1978 to 37.6 percent. The collective ownership economy has had a rather high level of accumulation; as a result, governments at county (city), township, and town levels are able to regulate and control the imbalance in the economic conditions in each jurisdiction. Units that became rich first are helping villages and impoverished households exploit natural resources, and developing production in the form of establishing ties with them. Since the beginning of 1984, Yixing City has given support to 11 townships and towns with their industrial output value under 10 million yuan, and 400 administrative villages with industrial output value under 1 million yuan. By the end of 1989, the aggregate fixed assets at constant prices of these economically weak townships (towns) and villages had reached 118.13 million yuan, up 478.22 percent from 1983. The rural cadres have led the masses in pursuit of common prosperity, while they themselves have gotten well-off, too. In Wuxi's rural economic development, differences in wealth are permitted, but attention has been paid to guard against polarization, which has never taken place. The cadres and masses said:

Upstarts are unheard of here, and the same with impoverished households; everyone is making progress on the road to common prosperity.

In the 40-year socialist construction, especially the 10-year reform, Wuxi peasants' gross income was 7.753 billion yuan, with an average annual increase of approximately 15 percent. In 1990, Wuxi's urban populace enjoyed an annual per capita income of 1,712 yuan, and its rural per capita net income was 1,330 yuan. Greater Wuxi's (including Wuxi city and three counties or cities) per capita GNP was 3,490 yuan in 1980, and it was 5,000 yuan in urban areas, with the comparatively well-to-do level of a per capita income between \$800 and \$1,000 realized 10 years ahead of schedule. To date, the lifestyle of the bulk of Wuxi's rural population is changing to the well-to-do type. Generally, the gap between town and country in work conditions and cultural and entertainment buildings remains, but in a considerable number of rural townships and towns, there actually is very little difference between them and larger cities. The peasants' income and consumption in kind are up to, and have even surpassed, the urban populace's standards; this is especially true in their housing conditions, the per capita floor space among the rural populace came to 27 square meters.

When we visited Huaxi Village of Jiangying's Huaye Town, we saw the peasants enjoying the living conditions characterized by "accessibility and convenience in six aspects." Specifically, the aspects of accessibility were: Education for the younger generation (the collective provides every child with educational expenditures from child-care centers and from kindergarten to high school); security to the elderly (with pensions provided); guaranteed housing (with the peasant collective contracting construction); medical expenditures refunded (with a ceiling in refunds; however, all medical expenditures are refundable in case of accidents at work); a place for shopping (a shopping center is installed in the village); and sites for entertainment (the existence of a movie house, a theater and a sports ground equipped with spotlights). The conveniences were: no more carrying grain with a shoulder pole (the collective will deliver it to every household by truck with someone in charge of the job); no more lifting water up from the well (supplying tap water); no more grass for fuel in cooking (supplying liquefied natural gas); no more cleaning of night soil buckets (with a flush toilet installed in every home); no more heating water for baths (with hot water piped to every household); and no more running to send a message (with a telephone line connected to every household). Chinese and foreign visitors to the village praised it as "a city inside a village." The villagers said, "This is a happy socialist village." Huaxi Village is just one example of numerous happy villages in rural Wuxi.

Common prosperity does not mean eating from the same big pot and pursuing egalitarianism. In the past 10 years and more, rural Wuxi was early in breaking up the practice of eating from the same big pot and pursuing egalitarianism in distribution while pursuing the system of contracted household responsibility related to output.

In township and town enterprises, diversified forms of the on-the-job responsibility system have been implemented, including "contracted responsibility and reforms in three aspects," "the system under which a director is responsible for fulfilling the quotas during his term of office," and "the enterprise's internal audit system." Such practice in distribution according to a person's contributions based on the principle of from each according to his ability, to each according to his work, and more work, more pay has moderately widened the differences in grades. Legally, they have become well off by relying on the collective strength and their own honest labor. Common prosperity does not mean synchronous prosperity, either. While adhering to the prerequisite of common prosperity, they have taken an active part in encouraging some townships and towns to follow state policies to become rich first through developing the commodity economy. Today, a number of star villages with their gross industrial and agricultural output value exceeding 100 million yuan have surfaced, including Jingxing Village in suburban Wuxi; Huaxi and Sanfangxiang Villages in suburban Yixing; and Xitang, Xie, and Huangniba Villages in Wuxi County. The peasants in these villages have taken the lead in living a comparatively well-off life.

The implementation of the principle of distribution according to work has better combined the interests of the state, collective, and individual; and better combined the principle of allowing some people and areas to become rich first with the general goal of common prosperity. This has enabled every economic unit and worker to show concern for the upgrading of labor productivity and development of social productive forces from their own interests, with their tremendous enthusiasm brought into play, thus powerfully pushing forward the great development of socialist production in rural Wuxi.

3. The road to socialist rural construction with Chinese characteristics has initially been found.

The rural areas took the lead in the 10-year reform. Reviewing the results and developing trends of the rural economy and social development in greater Wuxi over the past 10 years and more, we believe, the basic setup and conditions for building modern socialist rural areas with Chinese characteristics are:

1) Realizing the marriage of industry and agriculture, which means smoothly realizing on the spot the conversion of the agricultural work force to second and tertiary industries along with the realization of rural industrialization, and completing the conversion of traditional to modern farming along with the realization of agricultural modernization.

2) Realizing the marriage of town and country. When the rural areas develop in the direction of urbanization, a new setup will eventually take shape, characterized by the marriage of town and country with the two complementing each other in harmonious development. The

crisscross urban and rural network will inevitably promote regional economic development. And,

3) Realizing the marriage of mental and manual labor. The marriage of industry and agriculture, and that of town and country will eventually narrow the gap between mental and manual labor with each passing day.

Rural Wuxi has initially provided a blueprint for us, telling us that to realize this blueprint, it is primarily necessary to realize rural industrialization. The greatest accomplishment of Wuxi's rural reform is precisely the rise of township and town enterprises. They are another socialist new-born thing with Chinese characteristics surfacing in the rural areas immediately following the implementation of the system of contracted household responsibility related to output in agricultural production.

Wuxi's township-and-town industry has provided us with a typical example of rural industrialization; moreover, it has provided a powerful testimony to Marxist theory. Engels stated: "To prevent those people elbowed out of farming from being unemployed and forced to crowd the city, it is imperative to make them pursue industrial work in the country" ("Collected Works of Marx and Engels" Vol 19 p 369). In other words, when labor productivity in agricultural production is raised, there are two ways for transferring the rural work force: one is its leaving the rural areas and flowing into the city; and the other is its conversion to an industrial work force right in the rural areas. It is precisely the latter way that rural Wuxi has taken in transferring its agricultural work force, while making the rural work force continuously transfer to nonagricultural industry, chiefly township-and-town industry, while exploring whole-ranging measures for narrowing town-and-country differences and a way to realize socialist rural modernization.

According to relevant experts' estimation, in another 20 years or longer, rural Wuxi will realize industrialization, modern farming, rural urbanization, with modern, open, civilized, and rich socialist new rural areas built, which are characterized by internal and external ties, marriage of industry and agriculture, and mutual infiltration of town and country. To realize this beautiful blueprint, the key lies in continuing to do a good job of enterprises in townships and towns, namely relying on industry's effective accumulation to realize agricultural modernization and rural urbanization.

Wuxi peasants have created township-and-town industry, which China's reform and the socialist commodity economy have nurtured. Under no circumstances should we underestimate the township-and-town industry's outstanding contributions, which have cemented its extremely important place and role in China's rural economy and socialist modernization.

Rural Wuxi's splendid accomplishments are the victory of China's reform and opening up as well as socialism with Chinese characteristics. They have powerfully testified to the truth that "only socialism can save China," "only socialism can develop China," and that the socialist system

has incomparable advantages. From rural Wuxi, we have seen the bright prospects for new socialist modern rural areas with Chinese characteristics, and the dawn of Marxist scientific socialism's victory in China!

Farmers Expand Business Operations Abroad

OW 2004140091 Beijing XINHUA in English
1236 GMT 20 Apr 91

[Text] Hangzhou, April 20 (XINHUA)—Chinese rural enterprises, which are set up by farmers individually or by rural townships, hope to expand their sphere of operations by entering the competitive world market and investing in joint ventures abroad since they have achieved success at home.

Cai Duansheng, deputy head of Changshou Polypropylene Fiber Factory in Jiangsu Province, said he is confident that Chinese township enterprises will expand their business to other countries. His factory, which is run by Yushan Town, has a joint venture, C and T (Holdings) Co., Ltd., in Bangkok, Thailand.

Cai worked in Thailand for three years as the Chinese side's chief representative. The company has invested 2.92 million U.S. dollars in the project, of which 49 percent came from the Chinese side and 51 percent from the Thai side. The polypropylene fiber producing venture has a contract term of 15 years.

Founded in June 1988, the company's equipment is from China. At present, 97 percent of its products are of the highest grade and sell well in the Southeast Asia and the Middle East markets.

The company's technology and administration methods were adopted from the Changshou Polypropylene Fiber Factory, which employs 970 workers and staff, and has fixed assets worth more than 35 million yuan (about seven million U.S. dollars).

The company has decided to increase its annual production in Thailand from the present 500 tons to 1,500 tons of polypropylene fiber.

Another township firm in Jiangsu Province, the Huangyan Ink and Chemical Factory in Huangyan City, founded a joint venture in Bangladesh to produce a new type of bandage.

The Bei Bei Shoes Making Co., Ltd. set up a joint venture between the Bei Bei Shoes Making Company of Xizhang Town in Jiangsu Province and the Jerda Enterprises Corp. of the United States. Through more than one year's production of various light shoes, both the Chinese and the U.S. side are satisfied with their cooperation.

There are now seven township enterprises which have opened factories abroad, each of them has been successful.

According to Cai Yangui, deputy director of Jiangsu Provincial Bureau of Township Enterprises, more and more foreign firms are showing interest in setting up

joint ventures with Chinese rural enterprises. The main reason behind this trend is the rural enterprises' growing competitiveness on the world market and their administration and management systems, which are similar to those of foreign firms.

Cai said that he believes broad prospects exist for cooperation between Chinese township enterprises and foreign enterprises, adding that the forms of cooperation would be numerous.

China has 18.2 million rural enterprises, including private businesses and cooperatives. The appearance and development of rural enterprises has greatly changed the country's rural economic structure and improved farmers' lives.

In all, 50 percent of the increased state revenue generated since 1985 has come from rural enterprises, which together have delivered 184 billion yuan to the state in taxes over the past decades.

Rural Industrial Production Up in First Quarter

OW 2004033191 Beijing XINHUA in English
0131 GMT 20 Apr 91

[Text] Beijing, April 20 (XINHUA)—China's total rural industrial output value reached 148 billion yuan in the first quarter this year, a 27.4 percent increase over the same period of last year, the Rural Enterprises Department of the Chinese Ministry of Agriculture reported.

Moreover, the industrial output value of rural collective enterprises reached 122.7 billion yuan, a 28.6 percent increase over the same period in 1990.

Agricultural Mechanization Emphasized

OW 2304101491 Beijing XINHUA in English
0855 GMT 23 Apr 91

[Text] Beijing, April 23 (XINHUA)—China's agricultural mechanization drive, which was first suggested in the 1950's, is receiving greater emphasis due to economic reform.

A recent investigation revealed that 29 provinces, autonomous regions and municipalities have introduced more than 20 advanced agricultural techniques over the past five years. During the period, the country's agricultural sector has recorded savings of over 16 billion yuan as a result of the introduction of advanced technologies to farming.

The new technologies include the use of rice transplanters, and machines for plastic sheeting, breeding rice seedlings in greenhouses, deep applications of fertilizer, in addition to 20 other various techniques. At the same time, the farmers' knowledge of farming techniques has improved greatly.

At present, over two-thirds of China's 100 million hectares of farmland is considered low-yield land, and the country faces a difficult reclamation and development task.

XINHUA has learned that over ten percent of the country's increased grain output can be attributed to agricultural mechanization.

East Region

Anhui's Industrial Production Posts Gains

OW2404211991 Hefei ANHUI RIBAO
in Chinese 13 Apr 91 p 1

[By reporter Zhu Yuling(2612 3768 3781)]

[Text] In the beginning of the year of the ship, the province's industrial production showed an auspicious trend of steady increase following a rebound in the fourth quarter of last year. In the first quarter, the output value generated by industries at and above the township level totaled 13.52 billion yuan (calculated with the constant prices of 1990), up 10.2 percent from the same period of last year. This is the first heartening step in the campaign of the "year of quality, variety, and efficiency." It demonstrates that the province's industrial economy is on the way toward moderate and normal development after experiencing a production downfall and going through a recession.

The industrial production for the first quarter of this year was characterized by steady growth in heavy industry and brisk growth in light industry. In the first quarter, heavy industry fulfilled 6.17 billion yuan in output value, up 8.9 percent, and light industry, 7.35 billion yuan, up 11.3 percent. State-run industries grew at a moderate rate, outpaced by collective industries. Township-operated industries and other economic industries showed the fastest development. Large and medium-sized industrial enterprises, whose growth rates quickened month after month, became increasingly prominent as the leading industries. Some economic effectiveness indexes were back on the plus side. The productivity for a full-time worker also increased greatly. In January and February, budgetary industrial enterprises in the province brought in 2.68 billion yuan in sales revenue, up 23.6 percent, with 280 million yuan in profit and taxes, up 10.1 percent; while the turnover period of circulating fund quota was shortened by 11.6 days as compared with the same period last year.

Shen Daren Inspects Yancheng City

OW2504141191 Nanjing XINHUA RIBAO
in Chinese 9 Apr 91 p 1

[Excerpts] Currently, party committees and governments at various levels should further straighten their thinking in relation to work, emphasize key points, and pay close attention to the implementation of various tasks. This is the direction given by Shen Daren, secretary of the provincial party committee, during his tour of investigation and study in Yancheng City.

Comrade Shen Daren inspected Yancheng City from 1 to 7 April. [passage omitted] In the conference room of the city radio factory on the afternoon of 3 April, Comrade Shen Daren held a discussion with the directors of a number of enterprises directly under the city government on the ways to further rejuvenate large and

medium enterprises, and listened to their work reports and suggestions. Comrade Shen Daren pointed out at the end of the discussion that the enlivening of large and medium enterprises is among this year's 12 major tasks set by the provincial party committee. He said: Now, we should seize the opportunity to carry out deepgoing investigation and study, in order to identify the main factors that hamper the rejuvenation of large and medium enterprises and their underlying causes and take appropriate and effective measures to solve real problems in a down-to-earth manner. The various localities and departments should resolutely draw up specific measures to create an external environment favorable to enlivening large and medium enterprises. At the same time, these enterprises should focus their attention internally, deepen internal reform, effectively strengthen management, improve their quality, and bring about a good "microclimate."

During his investigation, Comrade Shen Daren was also concerned about the development and utilization of seashores. [passage omitted] He pointed out: The development of seashores is an important measure in elevating Jiangsu's agriculture to a new level. We must draw up comprehensive plans, systematically implement them, and make noticeable achievements. [passage omitted]

During his inspection, Comrade Shen Daren affirmed the progress made by Yancheng City in reform, opening to the outside world, and building socialist spiritual and material civilizations in recent years. [passage omitted] He said: Agriculture is the foundation of the economy; come what may, agriculture must be given top priority and we must not waver on this point. At the same time, we should make full use of Yancheng City's strong points to vigorously develop a diversified economy. Yancheng has huge potential and should be able to do a great job in this regard. In industry, we should first integrate adaptive with strategic readjustment, enhancing strong points and eliminate weaknesses, and vigorously develop high-quality products and mainstay industries to gradually build an industrial structure with its own characteristics. At the same time, we should pay attention to improving the management of existing enterprises and their product quality and economic returns. Secondly, we should do a good job in building leading bodies at all levels. Why did some localities with poor conditions carry out their work well, while other localities with better conditions fail? A major factor here lies with the leading bodies. Therefore, we must pay close attention to the building of leading groups at all levels and earnestly strengthen them ideologically, organizationally, and in workstyle; this is of paramount importance to Yancheng's development in the next five years.

Yancheng City Party Committee Secretary Cao Xingfu, Mayor Xu Qiyao, and responsible comrades of relevant provincial departments took part in the investigation, study, and inspection.

Editorial Examines Pudong's Development

OW2404213591 Shanghai WEN HUI BAO in Chinese
18 Apr 91 p 1

["Editorial: Further Promote Development of Pudong and Its Opening to the Outside World"]

[Text] One year has passed since the Central Committee of the party and the State Council announced the strategic policy to develop the new Pudong area of Shanghai and open its door to the outside world. Though the period of that year passed as quickly as in the twinkling of an eye, the blueprint for development of the new Pudong area has already been drawn up and the work is progressing smoothly now. A scene that is full of vigor and vitality presents itself to the eyes of visitors: construction of the major parts of the infrastructure are being carried out step by step; the tertiary industry, such as the financial sector and so forth, has taken the lead well ahead of all others; an overall planning for the industrial start-ups and production structures has been made; and efforts begin to be focused on the development of small areas. Under the guidance of the strategic policy adopted by the municipal party committee and municipal government, which stresses "striving for Shanghai's regeneration, promoting the development of Pudong, serving the whole nation, and gearing our efforts to the needs of the world," the project which will go beyond this century and on into the next has commenced. A bright future lies before us and we heartily rejoice at this prospect.

As an important strategic policy of the Central Committee of the party, the development of Pudong was drawn up on the basis of summing up the experiences acquired from the implementation of the reform and open policy in our country over the past decade; and, as such, it is a continuation and development of our implementation of the reform and open policy over the past decade. During the 1990's, which is the period before the turn of the century, we should strive for new breakthroughs and accomplishments from the starting point at an even higher level. Just as Comrade Jiang Zemin pointed out when he addressed a ceremony marking the 10th anniversary of the inauguration of the Shenzhen Special Economic Zone last year, development of the new Pudong area and its opening to the outside world "will fully turn to account the favorable economic conditions and superior resources, science, and technology in Shanghai and the hinterland along Chang Jiang and bring about a new situation in China's efforts to promote reform and open its doors to the outside world." Only when we continue to deepen reform and further open our doors wider to the outside world can we accomplish this great historical mission. There is no other path than this.

Reform and opening to the outside world are the most fundamental driving forces that kept pushing our undertakings ahead over the past decade. Every step that we

took forward in the areas ranging from the household-based system of contracted responsibilities with remuneration linked to output implemented in the countryside, to the delegation of full authority to the state-run enterprises in a bid to invigorate them, and from the efforts to promote development of science, technology, and education to the exploration for reform of the political system, has been inseparable from reform. It may be said that we could never have had everything that we have today without implementation of reform during the past 10 years. Deepening the reform and opening our doors wider to the outside world will promote China's economic and technological contacts with foreign countries and expedite achievement of the second-step strategic objective. The establishment of a series of special economic zones, with Shenzhen as the first one, and the opening of the coastal cities to the outside world has injected new vitality into the economic development of our country; they enabled us to broaden our horizon. It becomes a matter of course that we should continue to promote reform and opening to the outside world in the process of our efforts to develop Pudong in the future, because only in this way can we hold the initiative in our hands to make contributions to Shanghai's regeneration and, furthermore, to the national economic development.

If we want to deepen the reform and open our doors wider to the outside world, we must further emancipate our minds, change our concepts, and conduct bold tests. Promoting the overall work through tests conducted at selected points is a fine tradition of our party. Only through tests can we be gradually familiar with the pattern of a matter, regardless of what it may be. Since the tests are conducted on a trial basis, we must be bolder than usual, break free from conventions, and handle new matters from a new approach. Of course, it is necessary for us to minimize mistakes as best we can. However, if we stick to conventional old ways and stay in a rut for fear of making mistakes, we will be no different in our behavior from that of a silkworm that makes a cocoon in which it confines itself. If we want to promote development of Pudong, we must proceed from the realities of Shanghai to gradually promote reform of the operational mechanism of enterprises, the system of market regulation, and the government's economic management system; make such efforts at different levels and by stressing the focal points for the main purpose of promoting development of the export-oriented economy; endeavor to establish an economic operational mechanism that integrates the planned economy with market regulation; and, in the meantime, give impetus to the transformation and regeneration of Puxi [the areas west of Huangpu Jiang] through development of the new Pudong area and its opening to the outside world. This will allow us to build Shanghai into a modern international city with an export-oriented, multi-function economy. In the face of such an undertaking of unprecedented grandeur, we particularly need to demonstrate a dauntless spirit that dares to think and act, and which marches forward courageously.

The Seventh Plenary Session of the 13th CPC Central Committee pointed out: "Conscientiously doing a good job in promoting development of the new Pudong area and its opening to the outside world is an important task that faces us in the next decade." The Fourth Session of the Seventh National People's Congress, which just ended, reiterated that "it is necessary to concentrate efforts on successfully promoting development of Shanghai's new Pudong area and its opening to the outside world" during the period of the Eighth Five-Year Plan. The historical position for the development of Pudong has been defined. A grand blueprint is calling us. All the people of the municipality roused themselves for vigorous efforts to make Shanghai prosperous, quietly immersed themselves in hard work, and did a large amount of work for the constructions of the new Pudong area under the guidance of the municipal party committee and the municipal government in the past year. They have already gotten off to a good start. So long as we continue to use the reform and open policy as our driving force, unite together, practice plain living and wage a hard struggle, emancipate our thinking, and adopt a realistic approach and strive for innovations, we shall be able to make new contributions from our new approach in the months and years ahead.

Shanghai Deputies Discuss Vice Mayor's Report

OW2504062991 Shanghai City Service in Mandarin
2200 GMT 23 Apr 91

[From the "Morning News" program]

[Text] Deputies to the Fourth Session of the Ninth Shanghai Municipal People's Congress yesterday began deliberating in group discussions Vice Mayor Huang Ju's report on the Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development in Shanghai Municipality. One after another, the deputies noted that the report puts forth clear goals and specific requirements and depicts a bright future for the people in the city.

Wu Bangguo, secretary of the municipal party committee, took part in the group discussion of the Nanshi District as a deputy. He chimed in every now and then to state his views while the other deputies took the floor. Wu Bangguo said: Today, we must emphasize stability, continuity, and the pioneer spirit in our work in Shanghai. The next five to 10 years is crucial to Shanghai. To do a good job in the next five to 10 years, we first need good plans. Then, we shall do our best to carry out the plans once they are finalized. Provided that all the people in the city are of one heart and one soul and make concerted efforts for another five to 10 years on the basis of what we achieved in the past 10 years, we will be able to improve in a significant way the current problems concerning communications and housing in Shanghai and make notable progress in developing Pudong and enlivening large- and medium-sized enterprises.

Wu Bangguo said: Once our plans are set, cadres will come as a decisive factor. The majority of Shanghai's

cadres are good, conscientious, responsible, and capable of managing. In general, they also are honest and do not have wealthy lifestyles. What we need to do now is adhere to the four cardinal principles, further emancipate our minds, study problems in a more profound way, be willing to take bolder actions, and open up new horizons in our work. In this way, we will be able to accelerate our development and solve problems more quickly hindering Shanghai's economic growth.

As for expediting the development of socialist spiritual civilization, Wu Bangguo said: This is a very important topic. The central issue is to raise the people's ideological and moral standards and to cultivate a new generation that not only have ideals and morals but also are well educated and disciplined. The problem now is to determine what we should do in this regard and how we should do it. To promote the development of spiritual civilization, we must be specific and practical. We cannot pursue this matter by just theorizing or paying lip service. Instead, we will carefully do our research and learn from the good experiences of the people. Taking into account the actual situation in Shanghai, we will first determine the problems we presently want to solve, give them our best shot, and bring out some real results.

Vice Mayor Huang Ju, a nonvoting deputy of the Jingan District, yesterday joined the deputies from the district in their discussion. In the rare presence of Comrade Huang Ju, the deputies all tried to take the floor. Within a short period of 40 minutes, 14 deputies spoke, one after another, on such issues as personnel training, cadres' work style, intellectuals' salaries, protection for women, and management of enterprises, giving their opinions and suggestions. Huang Ju listened to them very carefully, frequently taking notes and asking questions. He also candidly exchanged views with the deputies on Shanghai's reforms and opening up to the outside world as well as on ways to step up personnel training.

Deputies from the Baoshan District earnestly discussed Comrade Huang Ju's report yesterday. Deputy Liang Wujie made suggestions for accelerating the development of spiritual civilization. He suggested that the municipal government set up a special agency where a vice mayor will take personal charge of the work to promote spiritual civilization.

In their discussion, the more than 50 municipal people's deputies from the Putuo District noted that the report is realistic in reviewing and summing up Shanghai's achievements in economic construction. Deputy He Qiangang said that the Putuo District built 5 million square meters of floor space in houses and constructed three large overpasses in the past 10 years, greatly improving the district's appearance. Deputy Chen Minsheng said that people in Shanghai benefited the most in the past 10 years. He held that we must thoroughly recognize the tremendous achievements made in the past 10 years so that we may build up our confidence in fulfilling the goals for the next 10 years. Deputy Fang Zhongwei said: We have every reason to be confident

about the next 10 years. As long as the people in the cities perk themselves up, unite, and work in a steady and solid manner, Shanghai certainly will be able to realize its 10-Year Program and Eighth Five-Year Plan.

Ge Hongsheng Meets Hong Kong Industrialist

OW2404142191 Hangzhou ZHEJIANG RIBAO
in Chinese 17 Apr 91 p 1

[Text] Governor Ge Hongsheng met with Zha Jimin, renowned Hong Kong industrialist, chairman of Hong Kong's China Dyeing Factory Holdings Limited, and member of the Hong Kong Basic Law Drafting Committee, and his wife Liu Biru at the Hangzhou Shangri-la Hotel yesterday afternoon.

Mr. Zha Jimin is visiting his home province of Zhejiang after attending the forum in Beijing to mark the first anniversary of the proclamation of the Hong Kong Basic Law.

During the meeting, Ge Hongsheng expressed his great joy over Mr. Zha's visit to his home province, and thanked him for his concern and support for reform, opening to the outside world, and construction in Zhejiang. He expressed the hope that Mr. Zha will offer guidance and assistance to efforts by old enterprises in Zhejiang to upgrade and adjust their product mix.

Mr. Zha Jimin spoke highly of the changes in his home province, and expressed his desire to continue making contribution to economic development in Zhejiang.

After the meeting, Ge Hongsheng hosted a banquet for Mr. Zha Jimin and his party.

Tang Yuanbing, Wang Jiayang, and Wu Yaomin were present at the meeting and banquet.

Central-South Region

Guangdong Governor on Corruption, Reform

HK2404124991 Hong Kong KUANG CHIAO CHING
in Chinese No 223, 16 Apr 91 pp 18-20

[Article by Hsiao Chien (4682 0494): "Ye Xuanping Gives an Unusual Speech Shortly Before His Transfer"]

[Text] What Is Ye Xuanping Now Thinking About?

Before and after the Guangdong Provincial People's Congress Session in March, it was spread at home and abroad that Ye Xuanping would resign as provincial governor and that another arrangement would be made for him. All sorts of forecasts about his future assignment were made. Some said that he would be transferred to Beijing as vice chairman of the Chinese People's Political Consultative Conference [CPPCC]. Some said that he would assume the post of vice premier of the State Council. Still others said that he would be in charge of the Office of Overseas Chinese Affairs or tourism.

On 20 March, Ye Xuanping was officially elected CPPCC member in a by-election.

In early April, as the CPPCC session came to a close, Ye Xuanping was officially elected CPPCC vice chairman.

Although Ye Xuanping said that the Central Committee had promised to allow him to stay in Guangdong for some time, another veteran CPPCC vice chairman, Wang Renchong, said that after Ye Xuanping had assumed the post of CPPCC vice chairman, he would resign from the post as Guangdong's provincial governor. After all, he is now 67 years old and has exceeded the retirement age for a provincial governor.

How much longer will Ye Xuanping be Guangdong's provincial governor? This is a concern of many people.

Recently, Ye Xuanping gave an important speech on a small range. People can more or less guess from the speech how Ye Xuanping feels now.

Ye Xuanping Hurries for the Conference on Rural Work and Gives An Important Speech On 8 March 1991, that is, the second day of the Fourth Session of the Seventh Guangdong Provincial People's Congress, the Guangdong Provincial Party Committee and Provincial Government held a conference on rural work, attended by vice mayors in charge of agriculture, directors of agricultural commissions from all cities, and by over 1,000 cadres from organs directly under the province. The meeting's main content was to convey the central spirit of the National Symposium on the Exchange of Experiences in Rural Economic Work, and study and prepare for Guangdong's rural work for the year of 1991. Provincial vice governors Ling Botang and Guo Rongchang, and others also attended the symposium. When the central message was half over, Guangdong Provincial Governor Ye Xuanping came hurriedly to the meeting. Since the people's congress was in session, no-one felt this was strange.

No sooner had he arrived than he gave a speech. He did not carry a text in his hand. Moreover, in the entire speech, he did not say much about how concretely rural work should be done. He said that reform and opening up over the past 10 years has brought enormous changes to Guangdong's rural areas and the rural industrial structure tends to be more rational, showing that the central rural policy is correct and a success. He said that only by seriously summing up past experiences and understanding the current situation can future work be improved.

Ye Xuanping Is Worried About Guangdong's Bad Practices

Ye Xuanping then talked on some other topics.

He said: As social and economic conditions are changing, people's ideas and concepts have unavoidably changed. However, we should take a closer look at which concepts are changing for the better and which for the worse.

Ye Xuanping continued: The thought of making money the goal in everything is very bad and corrosive. In many places of Guangdong, such a concept and behavior are

getting worse and are having more and more bad influence. Ye Xuanping expressed his intense disgust at this and said: The fact that people use bribes to get things done implies that our party committee and government's policies cannot be well implemented in grass-roots units.

Why Cannot Smuggling in Coastal Areas Be Curbed?

Using smuggling as an example, he said: Why does smuggling still exist despite our efforts to curb and ban it? This is because the thought of making money the goal in everything has spread among grass-roots organizations. It is never a few smugglers that can carry out such smuggling activities. Smugglers collaborate with grass-roots organizations that have power and public security organizations, forming smuggling syndicates with people from both sides. That is why smuggling has developed to such a large scale.

This question calls for deep thought. Ye Xuanping said: "Some of our cadres and organizations have been corroded by the thought of making money the goal in everything. They use all means, good or bad, to make money. They do not care about party discipline and state law or their personal character and morality. They even risk their lives to make money. If we are not going to solve this question, it will make great trouble to us some day."

Ye Xuanping Says: Some Governments and Party Committees Even Support Sale of Forgeries

Ye Xuanping said: It is common in some places of Guangdong that people manufacture and sell forged, shoddy, and defective products. Local governments and party committees do not stop this. On the contrary, they even support it. In the Sanyuanli area, Guangzhou, people engage in smuggling with the support of cadres. They have even wounded public security and antismuggling personnel and detained hostages. How can such lawless things happen? Ye Xuanping said: I do not mean reform and opening up are bad. What I mean is that in reform and opening up, we have overlooked ideological and political education and slackened the building of grass-roots organizations. So came such loopholes!

Ye Xuanping Is Dissatisfied With Grass-Roots Leadership

Ye Xuanping is also dissatisfied with Guangdong's current grass-roots leadership. He made the following remarks: The Central Committee has also made it a need to strengthen grass-roots units. It is necessary to properly improve grass-roots units with party branches as their nuclei within their administrative areas. Because these organizations are ones that actually implement the party's and state's line and policies. They must not change their attitude because of partial interests and law and discipline-breaking matters.

"Some Places Charge One Yuan Per Kilowatt-Hour. What is the Reason?"

If we do not properly cope with the problem, it will be impossible to do many other jobs. Such a situation occurs in many areas. A few days ago, we discussed the question of power supply. Some places charge one yuan per kilowatt-hour. What is the reason? Because some grass-roots units do not implement policies. They disobey them and revise them. They get their own way and have become local tyrants. This is a big question.

We Should Look at Guangdong's Hidden Troubles With a Sober Mind

Ye Xuanping said: We should review the past 10 years with a sober mind and see that there have been achievements as well as hidden troubles. We should see that we have overlooked political and ideological work, and neglected the guidance and teaching of national thought and morality and the building of grass-roots organizations. Therefore, a chain of problems have surfaced.

It Is Difficult to Estimate the Degree of Corruption in the Next 10 Years. Some Grass-roots Organizations Will Not Be Able to Weather the Storm!

Guangdong's economic work must embark on a new phase during the Eighth Five-Year Plan. We will have to reach the second strategic goal and do other jobs in the next 10 years. I think we will possibly be able to realize all this. But by then, it is hard to say how corrupt everyone of us will have become. Don't say that I am exaggerating to scare people. Many things show that some of our grass-roots organizations are no longer able to weather the storm.

Do not be mistaken that Guangdong did well during the turmoil in 1989. Although we see that Guangdong did not follow suit as others did, we should also see that the strongest storm had not struck it by that time. Guangdong only followed in others' footsteps. The fiercest storm struck Beijing. If the storm had occurred in Guangdong, would the people of Guangdong have been able to weather it? It is hard to say. We must not consider qualified to judge things that have not been put into practice or tested. It would be better for us to remain a little more vigilant.

Seize the Opportunity to Carry Out Reform in the Economic Structure

At the end of his speech, Ye Xuanping said that it is necessary to seize the opportunity to reform the economic structure. He maintained that Guangdong is now in a crucial period and that it must not be complacent over its achievements by not striving for progress, otherwise it will delay its overall development.

He said: In both the successes and failures in the things we have done, we should consider questions regarding the economic structure. Our big problem at the present time is that our structure is incomplete. We should

seriously look at it and improve it until it meets the needs of the socialist commodity economy.

Ye Xuanping suggested: "I hope that from now on whenever we talk about achievements and sum up experiences, we will remember how we feel about the economic structure in the process of doing a specific job. If we can do this, we will be able to improve the results of the things we will have to do during the Eighth Five-Year Plan."

Remarks That Give Much Food for Thought

Ye Xuanping's serious speech carried many witty remarks. For example, when talking on the question of workers flowing into Guangdong from other places, he said: "Do not regard it as something totally bad. They have come because they think highly of Guangdong. At least, it shows that there is something good about Guangdong that they can share." As soon as he made the remark, the audience broke into long laughter.

When saying that Guangdong could quadruple its economic growth ahead of the planned time in another five to six years, Ye Xuanping made this remark, which gave much food for thought: "Some people say it will take another five to six years. I don't think I should comment on it because by then I will have already changed into bones." Although this was only a joke, it showed that Ye Xuanping, who is 67, thinks himself that it "is about time."

Finally, Ye Xuanping said: Leaders should lay a good foundation for their successors. If so, Guangdong's future will be promising.

Foreign Exchange Swap Center Opens in Hainan

OW2504025391 Beijing XINHUA in English
1516 GMT 24 Apr 91

[Text] Haikou, April 24 (XINHUA)—An open foreign exchange swap center in Hainan Province, south China, opened for business here today.

Today's transaction volume totaled 4.99 million U.S. dollars.

Song Haipong, deputy director of the State Administration of Exchange Control, said over 90 exchange swap centers, including major open ones in Shanghai, Xiamen, Fuzhou and Shenzhen, have been set up since 1988. Hainan Province is the fifth region in China to set up an open center.

Song disclosed in Haikou today that the transaction volume in those centers in 1990 amounted to a combined 13.164 billion U.S. dollars.

Hainan first set up its foreign exchange swap center in 1987. Its foreign exchange transaction volume has increased from 100 million U.S. dollars in 1987 to 600 million U.S. dollars last year.

At present, the Hainan foreign exchange swap center only handles transactions involving U.S. dollars and Hong Kong dollars.

Southwest Region

Lhasa Public Security Drive Results Noted

OW2504021291 Lhasa Tibet Television Network
in Mandarin 1200 GMT 19 Apr 91

[From the "Tibet News" program]

[Text] A conference of internal security personnel, sponsored by the Lhasa City Public Security Bureau, revealed that the comprehensive public security drive in Lhasa City has achieved heartening results since March of this year. As of 10 April, 151 criminal cases were cracked, 146 law offenders were arrested, and 300,000 yuan worth of money and goods illicitly acquired was discovered. [Video shows a conference hall where 10 people seated on the rostrum facing the audience. Conference participants are dressed in uniforms, Mao suits, or civilian clothing.]

On the afternoon of 18 April, the Lhasa City Public Security Bureau held a conference of internal security personnel of the Lhasa Prefecture, at the request of the Tibet Regional Public Security Department, the Lhasa City party committee, and the Lhasa City government.

The conference summed up and affirmed the results of the comprehensive public security drive in the previous period and planned future tasks. It also commended 36 units, including people's congresses in the region and XIZANG RIBAO, for their exceptional performance in internal security work and criticized 26 units, including the Lhasa City Environmental Protection Bureau and the [words indistinct] company, for their poor performance.

XINHUA Views Culture, Art in Tibet

OW2404114891 Beijing XINHUA in English
0725 GMT 24 Apr 91

["Culture, Art in Tibet (Tibet's Today and Yesterday Backgrounder)"]—XINHUA headline]

[Text] Beijing, April 24 (XINHUA)—Tibetan culture and art, which used to entertain high-ranking officials and noble lords, now serves the Tibetan public.

At present the Tibet Autonomous Region has ten performing art troupes, 25 small performance teams, and more than 150 amateur Tibetan drama and art troupes. The number of art workers has topped 5,000.

The autonomous regional song and dance ensemble, the Lhasa Song and Dance Ensemble and a number of Tibetan artists such as Cedan Zhoima have won repute both at home and abroad. Many dramas, novels, paintings and photographs produced by Tibetans have won international and national prizes.

A modern, multi-purpose art center has been completed in Lhasa and 20 other art centers have been built throughout the autonomous region.

The autonomous region publishes 30 newspapers and magazines in Tibetan or Chinese. Since it was founded in 1971, the Tibetan People's Publishing House has published more than 200 titles, 80 percent of which are in Tibetan.

Radio, television and film have developed from scratch in the region. To date, the region has established two broadcasting stations, 14 medium and short-wave transmission stations, and 74 rediffusion stations in various cities and counties. There are two television stations, 98 television relay stations, 19 television transposer stations, and 163 radio and television satellite ground stations. The region's medium-wave radio and television broadcasts can now reach 21.8 percent and 34 percent of the local population respectively.

There are 82 film distribution and projection institutions, 553 projection teams and 1,177 projectors in Tibet. The region boasts 13 cinemas and theaters. On average, 25 feature films are dubbed in Tibetan annually. Since the peaceful liberation of Tibet in 1951, films have been shown free of charge in agricultural and pastoral areas.

People in all cities and towns and some rural areas in the region can see daily programs of the central television station and Tibet television station. In addition, many prefectures and counties broadcast their own television programs. While urban young people frequent local song and dance halls, the public in agricultural and pastoral areas are entertained by Tibetan operas and performances of folk songs and dances.

North Region

Hebei Financial Conference Concludes

SK2504091791 Shijiazhuang HEBEI RIBAO
in Chinese 20 Mar 91 p 1

[By reporters Zhao Xinyou (6392 2450 0645) and Liu Weiyi (0491 0787 0001): "Broaden Sources of Income and Reduce Expenditure, and Improve the Financial Situation as Quickly as Possible"]

[Text] The provincial financial work conference held by the provincial party committee and government concluded on 19 March. It emphasized the need for developing the economy, broadening the sources of income and reducing expenditures, and improving the financial situation as quickly as possible.

Participants at the conference discussed the decision of the provincial party committee and government on strengthening financial and tax work, and improving the financial situation; analyzed our province's financial work; established the guiding thoughts and outlines of work; defined the major targets of the financial work for the Eighth Five-Year Plan; and determined through discussion the specific measures for strengthening financial and tax work.

Xing Chongzhi, secretary of the provincial party committee, spoke at the closing session, giving opinions on how to improve our province's financial situation.

Party committees and governments at all levels should attach great importance to financial work. Having a bearing on the overall situation, finance is both an important economic issue and a very important political issue. We depend on financial resources to feed the people and build the country, and should also consider our financial capacity when deepening the reform. Party committees and governments at all levels should have a full understanding of financial work from the perspective of the overall situation, devote themselves to its study, conscientiously attach importance to it, truly place it high on their agenda, and earnestly solve its existing problems. They should bring the relations among various departments and various fields into better balance, actively support the work of financial departments, and strive to enable departments at all levels to show concern for, and to support and achieve success in financial work.

We should make earnest and diligent efforts to broaden the sources of income and reduce expenditure. The financial situation is the comprehensive reflection of the economy, and the reasons for financial difficulties, in the final analysis, are the low level of production development, and poor economic efficiency. Therefore, we should firmly embrace the idea that the economy decides on finance, and conscientiously improves the financial situation through economic development. No matter in industry or in agriculture, we should emphasize quality, variety, and efficiency, and mobilize the positive factors in all fields to conscientiously improve economic efficiency by deepening the reform, strengthening management, invigorating operations, and promoting technological progress. Regarding the current key financial sources, including large and medium-sized state enterprises, basic local enterprises, and rural support industries, we should exert more effort to turn these enterprises and industries into stable financial sources. Meanwhile, we should pay attention to the cultivation of reserve financial resources to ensure the endless sources of revenue. While actively developing the economy, and opening up financial resources, we should make great efforts to reduce expenditures. At present, it is a very serious phenomenon that orders and prohibitions are not carried out, public funds are used for unjustified purposes, money and materials are issued without authorization, and funds are used lavishly or wasted. Strong measures should be continuously adopted, and a strict responsibility system established to check such a phenomenon.

We should learn to spend money, and make the limited funds yield the greatest results. First, we should adhere to the principle of bringing a suitable amount of financial resources under control, and guard against the practice of sharing funds equally among all departments. Second, we should adhere to the principle of efficiency. The money under control should be used where it is needed most, and be used in the industries and enterprises that can turn out the best economic efficiency. Before starting

a project, we should conduct scientific appraisals, and give full consideration to the state's industrial policy, local resources, and the quality of personnel and management. Never should we make investment at random. Third, we should adhere to the principle of tracing the use of funds to check the efficiency. After money is spent, we should trace its use to check the results, and solve problems in a timely manner if there are any.

We should give full play to the functional role of financial departments. Financial departments are the "major house-keeper" of the government, and the mainstay of our endeavor to improve the financial situation. Party committees and governments at all levels should earnestly give heed to their opinions, support them to do their work bravely, and give full play to their functional role. Financial departments at all levels and financial cadres should further enhance their sense of responsibility, and the sense of respect for the overall situation and the masses. They should actively participate in economic work, and offer measures and suggestions in order to serve as good advisers of party committees and governments. They should work out ways to use the various financial and tax levers to promote the development of economic and other undertakings, strictly enforce financial and economic discipline, and do a good job in financial supervision, and the inspection of business accounts. They should have the courage to strictly deal with breaches of financial and economic discipline, such as evading tax payments and withholding profits to be turned over to higher authorities. Meanwhile, they should also be attentive to remain clean and honest themselves.

We should strongly advocate the spirit of pioneering a cause through arduous efforts of the entire party and society. It is our fine tradition to pioneer a cause through arduous efforts. To improve the financial situation, plenty of work needs to be done, of which, however, the most important is to continue to develop this tradition. This tradition is reflected not only in our capability to bear hardships, work diligently, practice austerity, and remain clean and honest but also in our capability to carry out work in a down-to-earth manner, develop the economy, cultivate financial resources, and make contributions. Such capabilities should be taken as an important criterion to judge whether a cadre, particularly a leading cadre, is competent in his work. Cadres who lack such spirit, do not try to accomplish anything, spend money without knowing how to make and save money, and even spend state funds and property without restraint should be removed from leading posts. Outstanding cadres who have a strong pioneering and hard-working spirit should be assigned to assume the major leading posts in the counties (cities) under the plan for "double creation and double change," and in large profit-making or loss-making enterprises.

Other provincial leading comrades attending the conference were Yang Zejiang, Hong Yi, Guo Hongqi and Du Jingyi.

Xing Chongzhi Hears Report on Li Donghui

SK2504061591 *Shijiazhuang HEBEI RIBAO*
in Chinese 21 Mar 91 p1

[By reporter Yang Weili (2799 1218 0500), He Shaoming (0149 1421 2494), and Xin Dexiang (6580 1795 4382): "A Report Meeting on Deeds of Li Donghui Was Held in the Provincial Capital"]

[Excerpts] Like a warm spring wind, the report meeting on the deeds of outstanding communist party member Li Donghui has blown throughout the provincial capital of Shijiazhuang and ripples of thoughts on working hard were surging in the people's minds. What is the value of life? What is the criterion for a communist party member? What direction should an intellectual pursue? Li Donghui's deeds can provide scientific answers for all these questions. [passage omitted]

At 0830, Han Licheng, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, declared the meeting open. Li Bingzhong, director of the office under the party committee of the provincial academy of agricultural and forestry sciences, gave an introduction of the brilliant life history of Li Donghui. [passage omitted]

Xing Chongzhi, Lu Chuanzan, Yang Zejiang, Ye Liansong, Chen Yujie, Li Haifeng, Hong Yi, Bai Shi, Song Shuhua, Guo Hongqi, Li Feng, and Huang Lan, and other leading comrades of the province, Shijiazhuang Prefecture and City, and provincial-level departments concerned also rushed to the meeting site early that morning and took seats in front of the rostrum the same as an ordinary audience. They were deeply moved by the deeds of Li Donghui. [passage omitted]

Xing Chongzhi delivered a speech. He said: We were deeply grieved over the loss of such a high-ranking, qualified person as Li Donghui and were very proud of having such a good comrade as Li Donghui who had noble character and dedicated spirit. When we cherish the memory of Li Donghui and learn from him, we should study his spirit of wholeheartedly serving the people.

Xing Chongzhi Inspects Laishui County

SK2504063091 *Shijiazhuang HEBEI RIBAO*
in Chinese 28 Mar 91 p1

[By reporter Li Huaping (2621 5478 1627) and Xin Yanle (6580 1750 2867): "Leading Cadres Should Know Technology"]

[Text] On 25-26 March, Xing Chongzhi, secretary of the provincial party committee came to Laishui County to plant trees and conducted investigations there to understand the situation for comprehensively improving the mountainous areas. He proposed: In developing forestry, we must pay attention to efficiency. Leading cadres at all levels should know technology and should enhance their sense of the party and the masses.

The afforestation project near the Leizi Reservoir in Laishui County is one of the county's major projects of making the barren hills green and is Comrade Xing Chongzhi's contracted county for afforestation. In March last year, he came to this county to study and formulate the afforestation plan together with cadres and the masses and participated in afforestation work. On the morning of 25 March, Xing Chongzhi came again to the afforestation project site near Leizi Reservoir in Laishui County to plant trees with the local cadres and the masses. While planting trees, he chatted with the cadres and the masses to understand the progress of the project.

While listening to briefings given by the local cadres, Xing Chongzhi said: To develop forestry and build up the mountainous areas, one of the most important things to do is to popularize technology and to develop forestry by relying on technology. The key to popularizing technology lies in cadres. Leading cadres at all levels, particularly county, township, and village cadres, must study and understand technology. It is necessary to change the situation in which the policy makers do not understand technology and those who understand technology do not participate in policymaking. County heads should understand economics, and the deputy county heads in charge of industry, agriculture, finance and trade, culture and education should industriously study certain professional skills and technology in line with the characteristics of their work. It is necessary to strengthen technical training for cadres and to arrange for cadres to participate in various sorts of training.

In referring to the fact that some localities failed to implement the central policies in a fairly good manner, Xing Chongzhi said: The central policies are correct and the masses also support them. The crucial issue involved is whether our leading cadres at all levels have realistically fostered the sense of the party and the masses. Some cadres, while handling the relationship between personal interest and the interest of the party and the people, have laid particular stress on personal interest. Our leading cadres at all levels should enhance their sense of the party and the masses, submit their personal interest to that of the party and the people, act like Comrade Jiao Yulu, and always keep the people and the masses in mind.

Tianjin Holds Meeting on Work Towards Taiwan

SK2504065691 Tianjin TIANJIN RIBAO
in Chinese 22 Mar p1

[Text] From 19 to 21 March, the municipal party committee and the municipal government held the Tianjin Municipal meeting on work towards Taiwan.

Municipal leading comrades including Liu Jinfeng, Yang Jingheng, Li Changxing, Xiao Yuan, Liao Canhui and Li Jianguo, attended the meeting. The meeting commended 55 departments and 116 individuals advanced in carrying out work towards Taiwan in the municipality last year.

Since the third plenary session of the 11th party committee, in carrying out work towards Taiwan, the municipal authorities have conscientiously implemented the central principles and policies on the work towards Taiwan and achieved great progress in this regard. The contacts between the people of Tianjin and Taiwan have increase every day and the economic and trade contacts between both sides have also rapidly developed. At present, the municipality has approved more than 650 Taiwan-funded enterprises and signed agreements involving more than \$100 million; the sports, scientific, technological, cultural, and academic exchange activities have also been extensively conducted; we have warmly received Taiwan compatriots who have come to the municipality to visit relatives and friends and for sightseeing, strengthened friendship between compatriots of both sides, and expanded the municipal influence in Taiwan.

In his speech, Liu Jinfeng, deputy secretary of the municipal party committee, pointed out: Realizing the peaceful reunification of the motherland is a glorious responsibility with which history has entrusted us. The 1990's is an important period for promoting development in the relations between the people on both sides of the straits and accelerating the reunification of the motherland. Along with the development of relations between the people of the two sides, the tasks for the work towards Taiwan have become heavier and more complicated. Party organizations and the people's governments at all levels should successfully carry out the work towards Taiwan, consider it as their bounden duty and work in a down-to-earth manner in an effort to promote the peaceful reunification of the motherland.

Liu Jinfeng pointed out: Tianjin is one of the coastal open cities. It is necessary to fully use Tianjin's superiority and favorable conditions, mobilize the strength of all sectors, and actively carry out all sorts of work towards Taiwan on our own initiative. At present, special efforts should be made to successfully carry out economic and trade work with Taiwan, maintain close economic relations between Tianjin and Taiwan on the principle of mutual support and mutual benefit, publicize to Taiwan compatriots the State Council's relevant stipulations and policies on encouraging Taiwan compatriots to make investments in the mainland, publicize the municipal investment climate, formulate the municipal regulations on absorbing Taiwan capital as soon as possible and mobilize and encourage Taiwan compatriots and their family members across the municipality to exert efforts in absorbing Taiwan capital. Departments concerned should actively support the existing Taiwan-funded enterprises, further expand contacts between the people of Tianjin and Taiwan, strengthen cooperation in various spheres, reach common understanding and trust, and gradually establish a foundation for the peaceful reunification of the motherland.

Tianjin Mayor Meets With French Delegation

SK2504081291 Tianjin TIANJIN RIBAO
in Chinese 22 Mar 91 p 1

[By Wang Hong (3769 1347): "Nie Bichu Meets With French Guests"]

[Text] On the evening of 21 March, at the Hyatt Hotel, Mayor Nie Bichu cordially met with a delegation from Nord-Pas-de-Calais Region in France, headed by (Selri Pely), director of the general affairs department of the Nord-Pas-de-Calais Region. The two sides cordially talked with each other.

While meeting with the French guests, Mayor Nie Bichu said: You are old friends of Tianjin. We are very glad to see you. Your visit to Tianjin will certainly further promote the friendship between the peoples of the two countries and promote the friendly contacts between Tianjin and Nord-Pas-de-Calais Region. The two sides also reached an agreement of intention on strengthening the friendly contacts and scientific and technological cooperation between the municipality and the region.

Wang Chenghuai, Standing Committee member of the municipal party committee, and Geng Jianhua, deputy director of the municipal foreign affairs office, also attended the reception.

Arriving in Tianjin on 19 March, the delegation of Nord-Pas-de-Calais Region visited the municipal scientific and technological commission, the municipal foreign affairs office, the municipal science and engineering college, the municipal textile engineering college, and Tianjin Deceleration [as published] Machine Plant.

Tianjin 1991 Spring Commodities Fair Ends

SK2504081391 Tianjin TIANJIN RIBAO
in Chinese 19 Mar 91 p 1

[By Shu Da (5289 6671) and Qian Yuguo (6929 3768 0948): "Tianjin's Spring Commodities Fair Concludes Successfully"]

[Summary] Tianjin's 1991 spring commodities fair concluded on 18 March. Invited to this fair were government leading comrades from 660 counties and cities in 29 provinces, municipalities, and autonomous regions across the country as well as more than 12,000 representatives from 2,200 industrial and commercial enterprises. They provided the fair with more than 40,000 commodities of 560 major categories, with the total value reaching 4 billion yuan, unprecedented in scale. Thanks to the concerted efforts and positive transactions of the units participating in the fair, the total business volume in this five-day fair amounted to 2.15 billion yuan, according to preliminary statistics, surpassing the predetermined target, and setting a record high.

Northeast Region**Jilin Summarizes Cadre Employment Experiences**

SK2504042691 Changchun Jilin Provincial
Service in Mandarin 2100 GMT 24 Apr 91

[Text] In line with the overall arrangements for the work of openly selecting the deputy leading cadres of departments and bureaus and based on the results scored in carrying out organizational investigation, the provincial party committee sponsored a forum on 22 April. During the forum a number of deputy leading cadres from the departments and bureaus, who had been employed after both testing and personal background and social relations evaluations, made reports on their work, and 24 comrades described their experiences gained in study, ideological changes, and work conditions over the past year.

In concluding the forum, Wang Jinshan, deputy director of the organization department under the provincial party committee, made a summary speech. Comrade Du Qinglin also delivered a speech in which he put ardent expectations on the issue of how to have the deputy leading cadres of departments and bureaus, who had been openly employed, justify the great trust placed in them by the party and the people and vigorously be qualified as leading cadres.

Comrade Wang Jinshan pointed out in his speech that practice had shown that the orientation of openly selecting deputy leading cadres of departments and bureaus through the combination of testing and evaluations is correct. While further doing a good job in coordinating the reform in other personnel affairs systems, we should orient this reformed personnel employment gradually to the regular track of personnel management, further improve employment, and broaden the field of vision to create good environment and conditions for having outstanding talented personnel show themselves.

While fully acknowledging the achievements scored in the work done by these deputy leading cadres, Du Qinglin pointed out in his speech that efforts should be made to keep a clear head and to clearly discern the tasks imposed on them by history. Those who are in leading posts are the focus of the masses' attention. Therefore, they must achieve in doing a deed of merit for the party, taking charge of the office for the people, and faithfully performing their duties. They should have a sense of urgency in the age, acknowledge their own shortcomings, actively impose pressure on themselves, not be satisfied with their own achievements, and continue to make progress.

Comrade Du Qinglin also pointed out in his speech that we are encountering a very important issue of how to stand the new test and accept the new challenge. We are facing the test of enhancing our confidence and of being faithful to the Communist cause and always maintaining the firm and correct political direction while waging a fierce struggle against peaceful evolution; the test of upholding the party's fundamental purpose and of doing a good job in being the people's servants conscientiously;

the test of upholding the principles of party spirit, strictly observing discipline, taking the whole situation into consideration, and of upholding the truth; the test of conducting reform, opening to the outside world, further emancipating minds, and of increasingly creating something new; and the test of being honest in doing work, exercising self-discipline honestly, and of industriously doing administrative work for the people.

Comrade Du Qinglin stressed in his speech that under the new situation, we should set forth high standards and strict demands for ourselves and regard the forum as a new starting point of continuously making progress in the following aspects: 1) A new starting point of engaging in study, 2) a new starting point in increasingly pioneering the road of advance, 3) a new starting point in fostering unity and waging struggle, and 4) a new starting point in rendering service for the people.

Liaoning Secretary Visits County 16-18 Mar

SK2504100191 Shenyang LIAONING RIBAO
in Chinese 20 Mar 91 p 1

[By Wang Bingjie (3769 4426 2638) and Wei Wen (7614 5113): "When Conducting Investigation and Study in Tieling, Quan Shuren Emphasized the Need to Deepen Reform, Invigorate Circulation of Goods, Promote Cooperation, and Strive to Accelerate the Development of County and Township Economies"]

[Text] Quan Shuren, secretary of the provincial party committee, conducted investigation, study, and inspection of work in Tieling from 16 to 18 March. Comrade Quan Shuren went deep into grass-roots levels to visit villages and households. He visited six towns and townships, 11 enterprises, and 16 village households in Faku County, Tieda City and Tieling County, and conducted conscientious investigation and study of the urban and rural economic development of Tieling. He emphasized the need to deepen reform, invigorate the circulation of goods, promote lateral cooperation, and accelerate the development of county and township economies based on the specific conditions of Tieling.

Comrade Quan Shuren paid great attention to bringing agriculture in the northern areas of Liaoning up to a new level. He asked county, township and village cadres in detail about agricultural production and farmland capital construction in these areas throughout the journey. In the Yujiagou Village of Ciensi Township of Faku County, he conducted on-the-spot inspection of the projects to improve small valleys, and affirmed the village's steps to build 1,000 mu of terraced fields. He said: To improve agriculture to a new level, we should stabilize policies, rely on science and technology, increase investment, improve production conditions, and steadily enhance our capacity for comprehensive agricultural production. We should carry out farmland capital construction persistently, and improve every ditch and every piece of hilly land. In this way, production conditions will be thoroughly changed, our capacity

to resist natural disasters will be continuously enhanced, and grain production will be ensured.

During the investigation, Comrade Quan Shuren visited some households which specialized in pig, cattle, and vegetable production, and earnestly listened to their opinions on ways to resolve the difficulties in selling their products. He pointed out: In agricultural development, we should integrate farming, breeding and processing, and coordinate agriculture with industry and foreign trade. We concentrated efforts on production previously. Judging from the current situation, circulation of goods is a conspicuous contradiction, and also a major problem to be solved in our endeavor to deepen reform. This problem should be solved by establishing and improving the service system. When the service system is not developed, the commodity economy cannot be developed and expanded, and service work cannot become a trade, still less can it yield economic results. We should pay attention to encouraging initiative in all quarters, mobilize peasant households to cooperate in developing the service trade, and organize them to enter the field of circulation. Township and village organizations, supply and marketing cooperatives, and state crop, forestry, and livestock farms should strengthen the means of service, further invigorate the circulation of goods by expanding the scope and improving the quality of service, coordinate agricultural production with industry and foreign trade, and bring farming, breeding, processing, and marketing to a steady upward course. We should develop these trades one by one, and expand their development from one town or township to many towns and townships. We will achieve good results if we are persistent in this endeavor.

Comrade Quan Shuren particularly visited the county and township enterprises which cooperated with large enterprises and scientific research units, including the Shenfa Cosmetics Plant in Faku County, a cable spare parts plant in Daming Town of Tieda City, a red powder plant [da hong fen chang 1129 4767 4720 0617] in Tieda Township, and a paper bag plant in Fanhe Town of Tieling County. He and the cadres, staff members, and workers of these enterprises summarized the experiences in bringing in technology, trained personnel, and funds through cooperation to invigorate the enterprises. He said: Cooperation will create advantageous conditions and good efficiency. Localities engaged in agricultural development should adjust their production setup, and cooperate with others to develop county and township industries. Counties and townships should formulate some preferential policies, and use their favorable conditions in land, manpower, and energy resources to attract large enterprises and scientific research units to invest in building plants or develop technological cooperation there in line with the principle of mutual benefit. When developing cooperation projects, they should have strategic foresight and long-term plans, and make some necessary concessions instead of haggling over immediate gains and losses. Only in this way can they draw in scientific research achievements, advanced technology

and trained personnel, and develop our enterprises. Comrade Quan Shuren fully affirmed the measures of "Tienan Special Zone" during his investigation activities. He pointed out: We should successfully summarize the experiences of "small special zones," and work out flexible policies in line with specific local conditions to facilitate the development of township enterprises. We should set our sights on large enterprises and scientific research units, and try every means possible to draw in their trained personnel, technology, funds, and raw materials. Meanwhile, judging from a long-term point of view, we should also train our own personnel.

When inspecting work in the Tiefert Coal Mining Administration, Comrade Quan Shuren pointed out: We should forge closer ties between large enterprises and local authorities. Local authorities should serve large enterprises, and provide favorable conditions for their development. Large enterprises should also support local construction, and make contributions to local development. They should help each other, and develop in a coordinated manner.

Throughout the journey, Comrade Quan Shuren also asked about the socialist ideological education conducted in rural

areas. He said: The socialist ideological education conducted in rural areas is a major event. We should strengthen leadership over it, and persistently conduct it, with specific priorities emphasized in line with actual local conditions. Through education, we should improve the quality of party members, cadres, and peasants, expand the collective economy, and promote the development of productive forces. In his talks with leading cadres at various levels, he repeated stressed: Leading cadres should go deep into the reality of life, change their work styles, and extricate themselves from piles of documents and countless meetings. They should thoroughly change their work style of staying in their higher-level posts and doing nothing but attending welcome and farewell parties, truly go deep into the grassroots levels, conduct studies of the issues that may become trends, summarize experiences, and give different guidance according to different cases. They should strengthen supervision and inspection, and never work out plans without conducting inspections. They should carry out all work they undertake, and enforce the responsibility system to make every level responsible to its next higher level and report the work results to it. In short, they should give less empty talk, and make earnest efforts to carry out the practical work to benefit the masses.

PLA in Fujian To End Propaganda Broadcasting

OW2404080591 Beijing XINHUA in English
0656 GMT 24 Apr 91

[Text] Fuzhou, April 24 (XINHUA)—A spokesman from the Headquarters of the Chinese People's Liberation Army units in Fujian announced that all wired broadcast stations in the coastal areas of Xiamen have been ordered to cease propaganda broadcasting beginning today.

In the past the broadcasts have been beamed to Kuomintang military officers and soldiers stationed on Quemoy and other islands.

The spokesman said that the move is aimed to further relax tension in the Taiwan Strait, as well as to create a harmonious and happy atmosphere, in which compatriots on both sides of the straits are able to lead a normal life.

The spokesman expressed the hope that the Taiwan authorities would institute practical measures to ensure an all-round conclusion of the confrontation between the two sides of the straits, realize the direct exchange of mail, trade, air and shipping services, and work for the peaceful reunification of the motherland.

Industrial, Commercial Talks Begin With Mainland

OW2504114691 Beijing XINHUA Domestic Service
in Chinese 1517 GMT 24 Apr 91

[By reporter Chen Jiang (7115 3068)]

[Text] Haikou, 24 Apr (Xinhua)—Entrepreneurs and celebrities from Taiwan began talks with their mainland counterparts in Haikou today. They discussed industrial and commercial issues between the two sides of the Taiwan Strait and exchanged information in hopes of striking up some kind of cooperation.

The talks were initiated by Du Ling, founder of the Marketing and Management Society of Taipei City, Taiwan Province, and cosponsored by the Research Institute on Taiwan and the Institute for the Study of Taiwan, both based in Hainan Province. More than 40 entrepreneurs and notables from Taiwan joined over 150 businessmen from Guangdong, Henan, Xinjiang, and Hainan in the talks. The businessmen from both sides of the strait will also visit Haikou, Sanya, and Tongshi.

Hainan, the largest special economic zone in the country, has attracted many investors from Taiwan. By the end of last year, the Hainan Provincial Government had allowed Taiwan businessmen to set up 89 enterprises in the province with a total investment of \$44.77 million in contracted projects. Next only to Hong Kong, Taiwan has become Hainan's second largest investor outside the border. In January and February this year, another 13 Taiwan-invested enterprises were allowed to register in Hainan.

Sri Lanka Confiscates Taiwan-Bound Ship With Arms

OW2504131191 Beijing XINHUA in English
0541 GMT 25 Apr 91

[Text] Colombo, April 25 (XINHUA)—The Sri Lankan customs have confiscated foreign-owned freighter M.V. "Mathalina" along with 11,000 unbranded rocket mortars which were discovered on board the ship, local press reported today.

Fine of 300,000 rupees (7,500 U.S. dollars) was imposed on the ship captain H.D. Silk, a New Zealander, and 100,000 rupee each on three executives of the Mc Ace Shipping Ltd., the local agent for the vessel.

The Taiwan bound vessel from Belgium which arrived on Colombo port for bunkers on March 21 was detained as the ship captain failed to declare the military cargo that was on board.

The inquiry began on March 30 and lasted for 12 days. The 155 tonnage "Mathalina" carrying explosives exported by a Belgian firm belongs to a New Zealander residing in Cook Islands, according to customs sources here.

Inner Mongolia Attracts Taiwanese Investors

OW2504163291 Beijing XINHUA in English
1525 GMT 25 Apr 91

[Text] Hohhot, April 25 (XINHUA)—Taiwanese investors have begun to show interest in doing business in northern China's Inner Mongolia Autonomous Region.

Last year, two co-funded enterprises, one engaging in producing graphite products and the other in the processing of castor beans, were set up in this region. Both enterprises have registered capital of more than one million yuan.

Several other Taiwan companies have signed 14 agreements to develop other projects. Coal mining, producing telecommunications facilities, carpet-weaving, agricultural and stock-raising industries are among the businesses that Taiwanese investors have shown deep interest.

In recent years, more and more Taiwanese have come to visit relatives and friends in the Inner Mongolia.

According to the chairman of the Inner Mongolian Association of Enterprises, Taiwanese guests are generally satisfied with the living, transport, telecommunications and business conditions here.

More Taiwanese businessmen are expected to come this year, the chairman said, adding that in August, the autonomous region is going to invite about one hundred Taiwanese entrepreneurs to join in the Grand Nadam Fair, the Mongolian traditional fair.

Reports, Comments on End To PRC Broadcasts**Will Not Affect Taiwan**

*OW2504102291 Taipei CNA in English 0848 GMT
25 Apr 91*

[Text] Taipei, April 25 (CNA)—A Mainland Affairs Council [MAC] official said he does not see any "substantive influence" on cross-straits relations of the Chinese communist end to "psychological warfare broadcasts" to Kinmen and Matsu islands off the mainland coast.

Peking's XINHUA news agency reported Wednesday that coastal troops had been ordered to stop the broadcasts in order to "further relax the situation along the Taiwan Straits."

The MAC official said neither communist Chinese broadcasts nor newspapers can affect Republic of China morale or threaten Taiwan's security.

He pointed out that the government evaluations of the mainland broadcasts found that few people take them seriously, so whether they stop the broadcasts or not "does not matter at all."

The government plans to release for private-sector use radio frequencies previously used to jam mainland broadcasts in order to meet the growing demands for broadcast channels, he added.

Defense Ministry officials said the ministry's broadcasts to mainland compatriots will continue in spite of the latest Chinese communist move.

"Our broadcasts are aimed at spreading the word about the 'Taiwan experience' on the mainland, and at keeping our mainland compatriots informed of free world developments," they said.

Said 'To Appease Taiwan'

*HK2504023391 Hong Kong SOUTH CHINA
MORNING POST in English 25 Apr 91 pp 1, 10*

[By Willy Wo-lap Lam]

[Excerpts] Beijing has taken a major step towards eventual reunification with Taiwan by ordering an end to propaganda broadcasts by military units along the Fujian coast.

This move, which effectively ends the 42-year-old Cold War between the mainland and the Kuomintang stronghold, is in response to the decision by the Taiwan National Assembly to halt the "state of war with the communists".

At the same time, People's Liberation Army (PLA) units along the southeast Chinese coast have scaled down military exercises in a bid to defuse tension. [passage omitted]

Chinese sources said in order to appease Taiwan, PLA units along coastal provinces including Fujian, Guangdong and Jiangsu, have scaled down their military exercises.

"The last time that a full-scale, aggressive war game was held in the vicinity of the Taiwan Straits was in March last year," a source said.

"A similar exercise was expected this March, but it has apparently been called off." The source added that recent exercises in the area had been small-scale and defensive in nature. [passage omitted]

Minister Chang Resigns Over Stock Deal

*OW2404162091 Taipei CNA in English 1557 GMT
24 Apr 91*

[Text] Taipei, April 24 (CNA)—The Republic of China's [ROC] Communications Minister Clement C.P. Chang resigned Wednesday over a controversial stock deal in which his wife and daughter were allegedly involved.

Government Spokesman Shaw Yu-ming said Chang tendered his resignation to Premier Hao Po-tsun in the morning. "Premier Hao accepted the resignation to show respect for Minister Chang's personal decision," he said.

Shaw described Chang's decision to resign as "a responsible, courageous act." He hopes the move would help keep the good image of the cabinet.

Premier Hao has assigned Vice Communications Minister Ma Cheng-fan to take over Chang's duties until a new minister is appointed.

Cabinet Secretary General Wang Chao-ming said Chang's resignation would not lead to a major cabinet reshuffle.

A senior politician, the 62-year-old Chang had been speaker of the Taipei City Council for years before he was appointed communications minister in June 1989.

He offered to quit last month when the stock trading scandal was unveiled, but Premier Hao then refused to accept his resignation because the case was still under investigation.

Chang himself declined to comment on his decision after attending a weekly meeting of the ruling Kuomintang's decision-making Central Standing Committee in the morning.

Earlier in the morning, Chang went to the Taipei District Prosecutors' Office where he was questioned by Prosecutor Hsu Ah-kuei on matters concerning the NT \$600 million (U.S. \$22 million) stock deal scandal.

Hsu subpoenaed Chang for questioning on Monday, but the minister failed to appear because he had to attend a ministry meeting.

Chang's wife Chiang Wen-tsu and their married daughter Chang Chia-yi were allegedly involved in the stock deal because Hualon Corp., a major textile company in which Chiang is a important shareholder, sold five million shares of an unlisted insurance company to Chang Chia-yi and a university professor at cut-rate prices.

Hong Kong

Wang Fang Meets Visiting Police Commissioner

OW2404163491 Beijing XINHUA in English
1510 GMT 24 Apr 91

[Text] Beijing, April 24 (XINHUA)—The Chinese Government always stands for close cooperation between the mainland and Hong Kong police forces in cracking down on crimes that traverse the two places, so as to safeguard security and people's livelihood.

Chinese State Councilor Wang Fang made this remark today in a meeting with Li Kwan Ha, the Hong Kong police commissioner, who is leading a delegation from the Hong Kong Bureau of Interpol on a working visit here.

A stable Hong Kong is important to the mainland, as Hong Kong and the mainland "influence each other in terms of public security," Wang said, adding that the Chinese Government has always been concerned about the public security of Hong Kong.

Wang described the cooperation between the mainland and Hong Kong police through the channel of Interpol as "fruitful," adding that he expects the joint efforts to become "strengthened and more efficient."

Li said that for the sake of stability and prosperity, the police from Hong Kong and the mainland need to continue their positive cooperation. He voiced appreciation for the help the Hong Kong police have received from their mainland colleagues in this regard.

Wang expressed his expectations of the Hong Kong policemen: "Love the motherland and Hong Kong, and work for Hong Kong's stability and prosperity."

Zhejiang Official's Son Released on Appeal

HK2504023591 Hong Kong SOUTH CHINA
MORNING POST in English 25 Apr 91 p 2

[By Cynthia Chan]

[Text] The son of the Deputy Governor of Zhejiang province was granted an immediate release from prison yesterday after the Chief Justice, Sir Ti Liang Yang, allowed his appeal against sentence.

Wong Keung, 35, an executive of a major mainland business in Hong Kong, was jailed for 15 months by magistrate Mr Antony Crawshaw at Central Court in January after admitting using an unlawfully obtained Portuguese passport and making a false representation to an immigration officer.

The court heard that at the time of the offence, Wong had a Chinese passport, a Hong Kong identity card and a work permit for employment in Hong Kong.

The Chief Justice said in his judgement that the penalty of 15 months laid down to deter illegal immigrants from

China "is hardly relevant in respect of those who are entitled to be in Hong Kong".

In view of the fact that Wong had already spent four months and three days in custody, the Chief Justice allowed his appeal to enable him to be released immediately which meant his sentence was reduced to about six months, taking into account the normal remission.

However, Sir Ti Liang added: "A six-month jail term does seem too heavy in the event and in all the circumstances of the case."

Wong's counsel had submitted a range of sentences handed down by magistrates between January 1990 and February 1991 for similar offences involving Hong Kong residents and they varied from a fine to six months' jail.

The Crown did not resist the appeal but urged the court to draw distinctions between the sentence for a Hong Kong resident and that for a non-Hong Kong resident.

Wong was the assistant general manager of a subsidiary of China Resources Limited in Hong Kong and was in charge of the import and export arm for their textiles. He moved to Hong Kong from China two years ago.

Wong, who came from an eminent family in China with a number of relatives working for the Chinese Government, was also an employee of the Zhejiang Province Trade Division.

He was intercepted at Lowu station on December 21 last year when he produced a Portuguese passport bearing the name of Lau Sau-kok, a person who was subject to a deportation order.

Upon further inquiries, Wong admitted the offence and told the authorities that he had in fact lost his Hong Kong identity card one month before.

He also confessed that the Portuguese passport with his photograph substituted was obtained through a business friend who suggested that it would be more convenient for him to travel in the EC countries with that passport.

The passport had never been used since he got it in June last year, the court heard.

New Antismuggling Laws To Take Effect

OW2404125291 Beijing XINHUA in English
0951 GMT 24 Apr 91

[Text] Hong Kong, April 24 (XINHUA)—Further regulations aimed at combatting the smuggling of certain electrical goods and vehicles from Hong Kong to the Chinese Mainland will come into effect on April 26, it was announced here today. Under the import and export (carriage of articles) regulations 1991 which will be published on Friday, carrying television sets, video-cassette recorders, video-cassette players, air-conditioners, refrigerators, vehicles and vehicle parts on board a vessel in Hong Kong waters will be prohibited, except under certain conditions, a spokesman for the

Customs and Excise Department said. These conditions include: Where an article is—carried under and in accordance with a carriage licence, or an export licence issued for the export of TV sets, video-cassette players and video-cassette recorders—is received from or is being delivered to a vessel of more than 250 gross tons for a bona fide import or export purpose and is accompanied by a shipping document—is carried on board a passenger ferry plying between Hong Kong and the Chinese Mainland or Macao, or a franchised passenger ferry operating within Hong Kong harbor—is carried on board a vessel for the personal use of a crew member or passenger—is carried on board a vessel exceeding 250 gross tons for a bona fide import or export purpose. The spokesman said, any person who goes against provisions of the regulations is liable to a fine of 500,000 H.K. dollars (64,102 U.S. dollars) and two years' imprisonment. Hong Kong police have recently stepped up the combatting of smuggling activities. Hong Kong marine police Tuesday made a big seizure of smuggled electrical goods

including 941 new TV sets and 74 air-conditioners worth 2.7 million H.K. dollars (346,150 U.S. dollars). On the day police also seized 26 speed boats for smuggling.

More Vietnamese Boat People Leave for Home

*OW2404123591 Beijing XINHUA in English
0948 GMT 24 Apr 91*

[Text] Hong Kong, April 24 (XINHUA)—A group of 50 Vietnamese boat people here today returned to Vietnam under the voluntary repatriation program of the United Nations High Commissioner for Refugees.

They include 23 men, 12 women, eight boys and seven girls, forming the 53rd batch to go back under the program, according to Hong Kong Government Information Services Department.

This group brought to 6,970 the total number of Vietnamese boat people who have returned voluntarily.

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